# Daily Report

# East Europe

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*FBIS-EEU-92-149* *3 August 1992*

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### Bosnia-Hercegovina

TANJUG reports on a news conference by Radovan Karadzic, president of the Serbian Republic of Bosnia-Hercegovina, on 31 July in the Belgrade International Press Center. Karadzic stated: "The Serbian side in the Bosnian conflict is prepared to make territorial concessions, so that the Muslims can have their own canton in Bosnia-Hercegovina."

### Poland

The Sejm adopted the Small Constitution on 1 August. "The Small Constitution introduces a presidential-parliamentary system in Poland that ensures an equilibrium and efficient cooperation between state bodies," reports PAP, noting that it "gives the president more powers than before;" however, "the new law requires that legal acts issued by the president be countersigned by the prime minister or a minister." Prime Minister Hanna Suchocka called the adoption of the new constitutional law "a great day for Poland."

### Croatia

TANJUG reports that an "incident-free" general election was held on 2 August. According to Zagreb radio, President Franjo Tudjman is in the lead with 56 percent.

### Albania

Tirana radio reports that the Democratic Party, PD, Electoral Commission, citing "reports received from official sources," announced that the PD has won 45.2 percent of the vote, while the Socialist Party, PSSh, has won 43.5 percent in local government elections. The commission added: "This data clearly indicates that the pretensions and statements by PSSh Chairman Fatos Nano are baseless and aim to deceive public opinion and influence the results of the second round of local government elections."

### Czechoslovakia

Prague radio reports that the Federal Assembly's election commissions met on 3 August. After the meeting, a statement was issued in which the commissions reported: "Not a single candidate has been nominated to the fourth round of the presidential election," scheduled for 6 August. According to the chairman of the election commissions, the fifth round should take place within eight weeks.

### Yugoslavia

***Macedonia***—FRY Prime Minister Milan Panic met with President Kiro Gligorov in Ohrid on 2 August, reports TANJUG. Following his talks with Gligorov, Zagreb radio reports Panic said that "Yugoslavia would have recognized Macedonia yesterday but that Mr. Gligorov was not ready for such a move."

### Romania

FRY Prime Minister Milan Panic made a four-hour visit to Bucharest on 2 August. Panic and Prime Minister Theodor Stolojan "endorsed" the idea of creating an economic union of the Balkan states, reports TANJUG. Elaborating on the purpose of the economic union, Panic said: "This way the Balkan countries would be able to integrate more easily into the development in Europe and the world."

### Bulgaria

FRY Prime Minister Milan Panic visited Sofia on 2 August, reports BTA. He discussed "relations in the Balkans, the situation in Yugoslavia and bilateral contacts," during a two-hour meeting with Prime Minister Filip Dimitrov. Following the meeting, Dimitrov said: "We agreed that the recognition of all republics of the former Yugoslavia would guarantee peace, just as the guaranteed non-use of any force with respect to them."

### PD Accuses Nano of 'False Arguments' on Voting

*AU3107191392 Tirana Radio Tirana Network in Albanian 1730 GMT 31 Jul 92*

[Text] The Democratic Party [PD] Electoral Commission announces that on the basis of reports received from official sources, the local government election result thus far is as follows:

The PD has won 45.2 percent, whereas the Socialist Party [PSSh] has won 43.5 percent. This data clearly indicates that the pretensions and statements by PSSh Chairman Fatos Nano are baseless and aim to deceive public opinion and influence the results of the second round of local government elections. Mr. Fatos Nano and the PSSh are continuing their propaganda with false arguments.

### Commission Reports Partial Election Results

*AU3107155692 Tirana Radio Tirana Network in Albanian 1330 GMT 31 Jul 92*

[Text] The latest reports from the Central Electoral Commission state that the seats in the Municipal Council of Elbasan District are distributed as follows: 14 are from the Democratic Party [PD] and seven are from the Socialist Party (PSSh]. The mayor of city hall is a PD representative. Regarding Cerrik City Hall, this seat will be determined Sunday [2 August] in the second round. We have received results for about eight communes. Out of them, six have been won by the PSSh and two have yet to be determined.

In Lezhe District, the district council is made up of 12 representatives from the PD, eight from the PSSh, two from the Republican Party [PR], and one from the Social Democratic Party [PSD]. The city mayor will be determined in the second electoral round. In eight communes, whose results we have received, two were won by the PD and the others remain to be detailed.

In Kruje District, the municipal council is made up of 10 representatives from the PD and five from the PSSh. The city mayor is elected from the PD. These communes, whose results we have received, will have elections again on Sunday.

In Gjirokaster, the district municipal council is made up of 14 representatives from the Union for Defense of Human Rights [PBDNj], seven from the PSSh, and four from the PD. Both mayors of Gjirokaster and Libohove are to be determined. Out of three communes, two will have elections for mayor on Sunday, whereas the PSSh representative has won in the third. In the communes of Sarande District, two mayors are from the PBDNj, whereas three others are to be determined. Elections for mayor will be repeated in Libohove and Konispol. The candidates are from the PSSh and the PD. In the Xarre Commune, balloting will be held between the PSSh and PBDNj representatives.

In the Diber Council, made up of 25 members, 12 are representatives from the PD, 12 from the PSSh, and one from the PR. In the municipal council, nine seats belong to the PSSh and six to the PD. Regarding the communes of this district, five were won by representatives from the PSSh, two from the PD, and six others are to be determined.

### Second Round of Voting Ends; Incidents Reported

*AU0308083192 Paris AFP in English 2328 GMT 2 Aug 92*

[Text] Belgrade, Aug 2 (AFP)—Voting closed Sunday [2 August] evening at 10:00 p.m. (2000 GMT) in the second round of local elections in Albania, sources said in Tirana. Voting had opened at 7:00 a.m. (0500 GMT).

The state electoral commission said participation in the second round was 70 percent. This report came two hours before voting booths closed.

The results of the first round held last Sunday have not yet been published. The electoral commission said participation was between 65 and 70 percent in the first round.

On Sunday, there were incidents between partisans of the Socialist Party (former communist) and the ruling Albanian Democratic Party at voting centers in Fieri, 80 kilometres (50 miles) south of Tirana and Lezhe, 30 kilometres (18 miles) north of Tirana, independent observers said.

Police did not intervene. An official in Lezhe said on local radio Sunday evening that the situation in the town was "serious" and that security forces were ordered to be ready in case of trouble.

### Paper Details Serbian 'Maltreatment' of Albanians

*AU2907121592 Zofingen RILINDJA in Albanian 23 Jul 92 p 8*

["M.D." article: "Chauvinist Violence And Provocation Continue"]

[Text] There is no end to police maltreatment and chauvinist provocations by the Serbian and Montenegrin people in Kline Commune. Mileta Djosic insulted Idriz Idrizi while he was making a fence, and then the police arrested Idriz along with his son, Sefer, and his neighbor, Bajram Krasniqi. They were sent to misdemeanors court with summary proceedings, but the judge decided on normal proceedings. The police beat Murat Rraci from Ujmir simply because his cows entered the police courtyard to graze. Many Albanian citizens have been summoned to police stations recently. The police collected licensed guns from Lush Gjergji of Videje, Bashor Buzhala of Cabic, Syle Deskaj of Gjurgjevik i Madh, etc. The police arrested Rasim Muharrem Morina and his brother-in-law, Islam, under the pretext that they possessed guns. They were sent to the police station in

Kijeve where they were maltreated. The police then released Ramiz but sent Islam to Kline, and we still do not know whether Islam has been released or not.

The LDK [Kosovo Democratic Alliance] Information Council in Kline reports that Serbian police, led by Lazar Zivkovic, entered Albanian private cafes and tea shops and checked the Albanian citizens who happened to be there. Recently, the police took in Hajzer Bashota, a teacher from Cerovik, for questioning and asked him about the seals and school certificates issued in Kijeve primary school. Miftar Bashota, who is responsible for a school in Cerovik, was arrested for organizing a concert on 2 July.

### Serbians Reportedly Try To 'Provoke' Bloodshed

*AU0308110892 Tirana ATA in English 0916 GMT 3 Aug 92*

["Belgrade's Efforts To Provoke New Bloodshed in Kosovo—ATA Note"—ATA headline]

[Text] Tirana, August 3 (ATA)—These days the gangs of Milosevic have intensified the acts of violence against the Albanians in Kosovo. The terror exerted recently by the Serb units of the military-police forces against innocent peasants in the dairy huts of Rugova, near Pej, are followed by other threats and provocations. The Serb press informed that in Podujeva, where 99 percent of the population are Albanians, "a bomb was uncovered placed by Albanians, in the post building of the city. [no closing quotation mark as received] In Lapte Selo village, near Pristina, three Albanian families were expelled from their homes and ordered to leave even the village. This repression is going on also in cities, where hundreds of Albanian workers now dismissed from jobs may be expelled [words indistinct] of terror in these last few days is part of the uninterrupted genocide going on in ever greater proportions, but which aggravates each time Belgrade is in difficulty. The successful offensive of Kosovo diplomacy and European commitment to the solution of the (?Kosovo question has thrown the Serb government into disarray). Belgrade is trying through violence to create a general chaos, an appropriate atmosphere which would justify before the international opinion the launching of the Serb war machine in Kosovo. But Albanians in Kosovo are responding to "the strategy of tension" with peaceful resistance, a stand which is finding ever greater support by the opinion of international community.

### Housing Minister Discusses Privatization Bill

*AU3107134592 Tirana REPUBLIKA in Albanian 16 Jul 92 pp 1-2*

[Interview with Ilir Manushi, minister of construction, housing, and area planning, by Bardh Selbarasi; place and date not given: "Residence Privatization Cannot Be Carried Out Right After the Law Has Been Issued"]

[Text] [Selbarasi] Mr. Minister, the bill on the privatization of state residences has aroused much discussion and apparently provoked several interpretations. Do they arise from not knowing the substance of the bill or...?

[Manushi] I would say that the misinterpretations of this bill in the press do not result from not knowing it. Several of them are the result of maliciousness. I would beg you to tell me how I should have clarified this bill further.

[Selbarasi] This bill iss presented on the eve of the new electoral campaign. Is it related to any particular political goal?

[Manushi] In an interview I gave two months ago, the residence bill was the first thing that I stressed. The bill was completed last year, but parliament sent it back for revision with considerable remarks. Under the conditions of the government of specialists and in the absence of parliament, this bill was not reexamined. When we discussed it, we saw that there were too many things to be revised. We made the corrections and distributed it to many quarters to gather opinions for a second revision. We then presented it to the Council of Ministers. Thus, it is not true that this bill was presented for electoral purposes.

[Selbarasi] The work on residence privatization seems to be considerable. It requires the time and commitment of several ministries. Does this perhaps constitute a reason for not publishing this bill during the electoral campaign?

[Manushi] The worst is that reporters, just as in other fields, inherit ignorance about problems and authorities. Being uninformed and incompetent with respect to problems they write about, some reporters write about something and then comment differently. When we say that the residence privatization procedure will need several months, it has nothing to do with the legal procedure but with the time necessary for all citizens to complete the relevant documents. Privatization cannot be done as soon as the law has been issued and every citizen cannot immediately participate. The procedure is like the one for land and will require a long time. Thus, former inhabitable private properties that are nationalized will not be privatized. We have declared that we will give them back to their legitimate owners. The people living in these dwellings will pay the rent. The state will maintain control of this rent so as not to allow the former owner to ask as much as he wants, thus mistreating the present inhabitants of these dwellings. Also, the state will build housing on a continuous basis and set aside funds to solve the acute housing problem.

[Selbarasi] Mr. Minister, you have declared that the state gains nothing during the residence privatization process and the national property is all divided. Does the bill contain any clause for the numerous homeless people, the former prisoners, etc.? What will they receive?

[Manushi] It is true that I have said so, and apparently this has been the subject of discussion in some newspaper. I do not want to insult any writer, but I would ask for professional competence in addressing this problem. Nevertheless, I hope that the question you asked will be instructive for those who are interested. I say that this property is entirely divided among the citizens. Those who have relatively new houses are obliged to pay something that goes in favor of those who have amortized dwellings. Specifically, what is given by the first is taken by the second. These are small amounts of money for both sides.

The bill, which will be sent to the government and parliament, will give the homeless and those with little housing space security four or five times over, as prices have greatly increased.

This increase means nearly two billion leks for the state budget.

[Selbarasi] How will you address this, given the condition of the state budget?

[Manushi] This is a real problem. We are drafting a bill on this to set up an institution for building public housing. In cooperation with the relevant ministry, this institute will solve the housing problems of those who have been politically persecuted and will have provide improved accomodations for those who have limited housing space. I want to stress here that we have donated to the people who were politically persecuted all the housing that they occupy.

[Selbarasi] Will the state keep houses to rent, and how much will the rent be?

[Manushi] Under the present condition, the state will not keep dwellings at its disposal but will accelerate the rates of housing construction. We will have houses to rent for two reasons: First, the citizens living in formerly nationalized properties are obliged to pay their former owners, and second, it may happen that some citizens will be unable to buy their dwellings because of their low incomes; that is, they cannot become owners. They will pay rent for their housing. As is known, the rent will be doubled. This is related to the state enterprise that will maintain these dwellings, which should normally remain rentable.

[Selbarasi] How will you assess the dwellings?

[Manushi] The bill anticipates that the assessment of the dwellings should be above their production costs. We have calculated a yearly amortization coefficient of about 1.8 percent. We multiply this coefficient by the age of the building in years, subtract the amortization value, and determine the average value by dividing the entire value of nationally owned property by the number of people living in the cities. If there are discrepancies, the citizen will either pay extra or be repaid by the state.

[Selbarasi] Are residence space and location considered in assessing the dwelling?

[Manushi] The residence assessment is done according to the division in categories that consider what you previously mentioned. Thank you.

## FRY Prime Minister Visits, Discusses Balkans

*AU0208192892 Sofia BTA in English 1836 GMT 2 Aug 92*

[Text] Sofia, August 2 (BTA)—Prime Minister Milan Panic of Yugoslavia today paid a short visit to Sofia.

Relations in the Balkans, the situation in Yugoslavia and bilateral contacts were on the agenda of his two-hour session with Bulgarian Prime Minister Filip Dimitrov. "We agreed that the recognition of all republics of the former Yugoslavia would guarantee peace, just as the guaranteed non-use of any force with respect to them," Mr. Dimitrov said after the meeting.

Mr. Panic told his host that his government wants peace, an end to the war and observance of the UN requirements which, in turn, would lead to lifting the sanctions of the world body.

"The discussions were very constructive and I agreed to all requirements for lifting the sanctions against Yugoslavia," Mr. Panic told the press and added that he had received Mr. Dimitrov's assurances that Bulgaria would be the first country to support the lifting of sanctions.

The two heads of government share an understanding of the need for troop withdrawal from Bosnia and Hercegovina and for guaranteeing peace there, which should be achieved, among other things by the efforts of Mr. Panic's government.

Panic said he had agreed with Mr. Dimitrov on the need of universal respect for human and minority rights. Human rights in Kosovo should be the same as the rights of Serbians wherever they are, or the rights of Bulgarians in Serbia or Albanians in Kosovo, Mr. Panic observed.

They also discussed the risks of violence erupting in Kosovo and the need to guarantee that things do not go as far as that. Mr. Panic expressed his government's readiness to guarantee the non-use of force in Kosovo by all appropriate means, including observers and humanitarian missions. According to the two prime ministers, when all these things are done and the sanctions against Yugoslavia are lifted, an opportunity would emerge to organize a conference at which the Balkan countries would discuss in a humanitarian way the problems in this part of Europe.

An emphasis was laid on the need to pursue economic cooperation in the Balkans and on the hope that the lifting of the UN sanctions would open up fine opportunities for this. Mr. Dimitrov said that Bulgaria is ready to attend any talks on this subject. Bulgaria is ready to organize such meetings and Mr. Dimitrov even proposed, when the conditions are right, that Plovdiv host such a forum on the activation of business contacts.

## Dimitrov, Panic Discuss Sanctions

*LD0208213692 Belgrade TANJUG in English 2011 GMT 2 Aug 92*

[Text] Sofia, Aug 2 (TANJUG)—Yugoslav Prime Minister Mr Milan Panic said on Sunday [2 August] he had received assurances from Bulgarian Prime Ministre Filip Dimitrov that Bulgaria would be the first to restore economic ties with the Federal Republic of Yugoslavia (F.R.Y.) after the lifting of sanctions imposed on the F.R.Y. by the U.N. Security Council on May 30.

Mr Panic visited Sofia on Sunday, after a visit to neighbouring Romania, where he had had talks with Romanian officials.

Mr Panic held a press conference after his meeting with Dimitrov, describing their two-hour conference as frank, friendly and highly constructive.

The Bulgarian prime minister said Mr Panic's proposal to set up an economic union of Balkan states was acceptable, but needed to be discussed further.

Mr Dimitrov believes that the lifting of the sanctions would create numerous opportunities for economic cooperation among the Balkan states, within which it would be possible to consider Mr Panic's proposal.

The Bulgarian prime minister said today's conference had brought to light the view that a recognition of all the former Yugoslav republics as independent states would be a guarantee of peace.

Mr Dimitrov told the Yugoslav prime minister the Bulgarian Government wanted a speedy end of war and restoration of peace in the former Yugoslav Republic of Bosnia-Hercegovina, which should meet the conditions set by the U.N. Security Council.

Bosnia-Hercegovina has been rocked by civil war for four months, with the local Muslims and Croats, helped by the army of neighbouring Croatia, pitted against the republic's Serbs.

Prime Minister Panic this evening left Sofia for the former Yugoslav Republic of Macedonia for talks with Macedonian President Kiro Gligorov.

## Greek Military Delegation Visits, Signs Agreement

*AU0208180192 Sofia BTA in English 1739 GMT 2 Aug 92*

[Text] Sofia, August 2 (BTA)—At the invitation of the Chief of General Staff of the Bulgarian Army Colonel General Lyuben Petrov, a Greek military delegation led by the Chief of General Staff of the National Defence of the Hellenic Republic Colonel General Ioannis Verivakis paid a working visit to Bulgaria on Saturday and Sunday [1-2 August]. The sides signed a document outlining the key areas of bilateral military cooperation until the end of 1992 and in 1993. The Greek delegation left the country.

### Election Round Postponed; No Candidates Nominated

*LD0308131192 Prague Stanice Ceskoslovensko Radio Network in Czech 1200 GMT 3 Aug 92*

[Text] The Federal Assembly election commissions held a meeting in the parliament building today. Milada Richterova sums up the outcome of the meeting:

The result of this meeting was a statement that not a single candidate has been nominated to the fourth round of the presidential election. The election should have taken place on 6 August at the ongoing second joint meeting of the Federal Assembly chambers. Because the deputies will have no one to choose from to elect a future head of the Czech and Slovak Federative Republic, this point will not be on the agenda for their meeting. However, as Erich Kriz, deputy from the Civic Democratic Party-Christian Democratic Party to the Chamber of People and chairman of the election commissions, told us, the meeting will continue with discussion of other points on the agenda.

In response to our questions, Erich Kriz said it is likely that an announcement of another date for the presidential election will be made at the conclusion of the meeting. At this point, the fifth round should take place within eight weeks. According to Erich Kriz, it is possible that the federal parliament members will try to set the date for the election as late as possible within the eight-week limit—in other words, at the end of September.

### EC Imposes Quotas on Czechoslovak Steel

*AU3107140992 Prague MLADA FRONTA DNES in Czech 29 Jul 92 p 14*

[Petr Simunek, Jan Zoubek report: "CSFR—EC: The First Penalty—Limits Imposed on Czechoslovak Steel Imports"]

[Text] Yesterday an EC Commission discussed the introduction of protective measures against imports of steel products from Czechoslovakia. According to our sources, the commission decided to impose these measures on at least three types of steel products. These products represent approximately 50 percent of Czechoslovak exports of steel to the Group of 12. The final decision was made late in the evening and may affect an even greater variety of products.

The introduction of protective measures in the form of quotas was a reaction to the enormous growth in Czechoslovak exports of steel products to the EC markets. In the first five months of this year, Czechoslovak exporters sold approximately 500,000 tonnes of steel. If this trend continued, it would mean an 80-percent increase in annual exports. The West Europeans, particularly the French and German producers, felt threatened in their very existence by such a flood of cheap steel from Czechoslovakia and appealed to their governments for help. The subsequent series of negotiations between the EC Commission representatives and the relevant Czechoslovak ministries did not bring any tangible results, so the EC Commission decided on a unilateral step. After all, the provisional trade agreement between Czechoslovakia and the EC includes a special clause that in the event of unacceptable growth of exports, allows the parties in the agreement to implement unilateral protective measures without consultation with the partner. As we learned from sources close to the EC Commission, the restrictions are to maintain the volume of Czechoslovak exports at a level 20 percent higher than last year's total (840,000 tonnes). Observance of the quotas will most likely be controlled by means of licenses issued to Czechoslovak exporters which will, to a certain degree, complicate the exports to the EC.

It is not without interest that it is the first time that similar steps were taken against one of the three states (Czechoslovakia, Hungary, and Poland) which signed the provisional trade treaties with the EC. Thus, the liberalization of trade between the three Central European countries and the EC states met its first serious hindrance.

### Strasky Outlines Transfer of Powers to Republics

*LD3007124792 Prague Stanice Ceskoslovensko Radio Network in Czech 1600 GMT 29 Jul 92*

[Excerpts] Miroslav Dittrich and Marie Ruzickova report about today's deliberations of the Federal Government:

[Ruzickova] Today the government approved its final plan of legislation work to be done by the end of the year, and assessed and approved a bill on transfer of powers from some state administration bodies on the federal level. This is to comply with the part of the program statement dealing with a transfer of powers. Federal Prime Minister Jan Strasky outlines where the specific activities will be transferred:

[Begin recording] As far as transport and communications are concerned, they will be transferred to the Ministry of Economy; as far as the Ministry of Foreign Trade is concerned, the ministry and its powers are going to be split to a part dealing with activities abroad—which will be incorporated into the Ministry of Foreign Affairs, a part dealing with economic issues—which is going to be incorporated into the Ministry of Economy, and a part dealing with customs matters and customs administration—which is going to be transferred to the Ministry of Finance. As far as the Ministry of Labor and the Federal Committee for Environment are concerned, they are going to be incorporated—the former into the Ministry of Finances, in a very reduced form—and the latter into the Ministry of Economy.

The government agreed that before the law comes into force it would do everything possible to see that these bodies are slimmed-down to the level necessary for securing the federal powers attached to them. [end recording]

[Ruzickova] The ministers are going to continue to fulfill duties ensuing from their posts. The liquidation of individual ministries in the material, organizational, and work legislative spheres will be carried out by liquidators who will be appointed by the government.

The government went on to discuss a distribution of presidential powers. It will keep the right to convene and end a session of the Federal Assembly. It can also dissolve the assembly in the case that an agreement on budgets is not going to be achieved. It also keeps the right to initiate laws and to declare a state of war.

[Dittrich] Prime Minister Jan Strasky said today that the federal government drafted the bill on the end of the federation and the bill on dividing the assets of the Czech and Slovak Federative Republic. It intends to assess the principles of these bills at its session to be held on 2 September. First Deputy Prime Minister Rudolf Filkus said that a division of property rights abroad would be very complicated. [passage omitted]

The government also went on to decide today about releasing 300 million korunas to secure the safety of the A-1 nuclear power station in Jaslovske Bohunice—primarily for disposal of burned-out fuel. [passage omitted]

## Prime Minister Views 'Disparate' Economic Ideas

*AU3107142392 Prague TELEGRAF in Czech 29 Jul 92 p 3*

[Interview with Federal Prime Minister Jan Strasky by Lukas Havlas; place and date not given: "Either a Federation, Or Nothing!"]

[Text] The disparate views held by the Czech and Slovak sides regarding the individual republics' fiscal policies—without doubt arising from the two governments' policy statements—are a crucial factor for the future course of the constitutional and legal talks. The situation will be no different in compiling a "provisional" federal budget for 1993, a budget that—apart from an unusual synthesis of the diverse views on the course of economic reform—should also contain the appropriate "back door" for the common state's breakup. We asked CSFR Prime Minister Jan Strasky for his opinion on this and other issues.

[Strasky] The two political delegations agreed in Bratislava that the federal budget will no longer exist. If, by chance, the negotiations oriented toward a federation or a separation of the common state were to drag on, a provisional federal budget for 1993 would be compiled as of September, on the confederative principle, naturally. That is, it would be a confederative budget contributing to federal organs "from below." However, our aim will always be toward a final decision—either a federation, or nothing!

[Havlas] Do you agree with the view that if the 1992 federal budget ends the year balanced, the situation regarding the possible division of the state's closing account will be much easier because there will be nothing to divide?

[Strasky] That goes without saying, otherwise a fundamental question would arise—that is, whether the two republics' debt to the federation should be charged to their accounts or whether it should be cleared from the property ceded to them after the federation's breakup.

[Havlas] Is it at all possible to achieve a balanced budget?

[Strasky] I am convinced that we will strive to ensure the budget is balanced. Of course, all three budgets are so extended that this may not be possible. I see one of the signs of imbalance in the division of the Federal Market Regulation Fund, something that was not accepted by myself and the Federal Government. The division originally agreed on between the republics, on the one hand, contradicts the budget rules (however, this is not so important now) and, on the other hand, also contradicts the actual purpose of the regulating sum, which today amounts to 5.0 billion korunas. Its use was conditional on it only being spent if necessary. We proceed from the point of view (first and foremost, from our experience up to the beginning of July) that such subsidies are far from necessary and that this fund should not be exhausted. As soon as we divide it, however, we increase the danger of unbalancing the budget. The Market Regulation Fund could continue to act as a budgetary reserve fund.

[Havlas] If the federal budget ends the year unbalanced, what will be the criteria for its division?

[Strasky] I personally expect it to be quite simple—two to one.

[Havlas] Is this really the best solution...?

[Strasky] Of course, division according to the individual republics' portion of the deficit would be much more appropriate. I am afraid we will not push this criterion through within the framework of the discussions on covering the state budget's division. Two to one will also probably become a more general criterion in resolving the other issues involved in dividing the common state.

## Czech Council Appoints Commission for Negotiations

*AU3107142692 Prague CESKY DENIK in Czech 29 Jul 92 p 1*

["(mon)"-signed report: "It Is Now Up To the Opposition"]

[Text] Prague—The Czech National Council [CNR] Presidium yesterday appointed the members of the CNR Presidium Commission responsible for conducting negotiations with the Slovak National Council.

The 13-member commission was appointed according to proportional representation. Its members are: Jiri Vlach

(chairman), Jiri Payne, Stanislav Volak, and Josef Mandlik (all Civic Democratic Party); Jan Zahradnicek (Christian Democratic Party); Oldrich Kuzilek (Civic Democratic Alliance); Ludvik Motycka (Christian Democratic Union-Czechoslovak People's Party); Frantisek Trnka (Liberal Social Union); Frantisek Kacenka (Movement For Self- Governing Democracy-Society For Moravia and Silesia); Jozef Wagner (Czechoslovak Social Democracy); Jaroslav Ortman and Antonin Hrazdira (both Left Bloc); and Jan Vik (Association For the Republic-Republican Party of Czechoslovakia). After the meeting, CNR Chairman Milan Uhde told journalists that 14 points were on the agenda and, for the most part, concerned routine issues. The most important point, apart from appointing the commission, was a debate on the 27 July talks in Bratislava. A resolution containing two points was adopted after this debate. It states that the CNR Presidium has noted the report by its chairman on the talks and that it has entrusted him with briefing the Czech prime minister on their outcome. The appointment of the Slovak National Council commission is now awaited. "If such a commission is not approved, it will be necessary to start having doubts. We have explained to our Slovak partners why we think this commission is important; they have made no secret of the fact that they do not consider such a commission necessary for themselves. They accepted our proposal, however, and promised to discuss it," said Milan Uhde. The CNR chairman said the following in connection with the possible preservation of the federation: "Of course, it is essential to take into consideration how the opposition views the issue. The opposition parties represented in the CNR really have the impression that not enough is being done to preserve the federation, that we will easily let it go, and that we will gain more if we cling to it more earnestly. The impression is being given that if we talk about cooperation after the federation's breakup, that means we have reconciled ourselves to it. The issue now involves taking steps that are comprehensible to the opposition, because we will not approve a constitutional law without the understanding of at least part of the opposition. We emphasize the work of the commission, a commission in which the opposition is represented and in which it will have an opportunity to gain a specific idea of what is going on in the talks and to weigh up the chances of preserving the federation."

## Meciar Comments on Democracy in Slovakia

*AU3107094792 Bratislava SLOBODNY PIATOK in Slovak 24 Jul 92 pp 3, 12*

[Second installment of interview with Slovak Prime Minister Vladimir Meciar by Jozef Sitko; place and date not given: "When Prime Minister Returned (Once Again)"]

[Text] [Sitko] The attitude of For a Democratic Slovakia Movement [HZDS] deputies toward the presidential elections is seen as a deliberate political means of radicalizing the anti-Slovak mood in Bohemia. It also helps the Civic Democratic Party and other parties to politically destabilize the common state, dismantle it step by step, and destroy it. If this assessment is wrong, then the fact that Vaclav Havel was not elected president can be viewed as a shortsighted political decision by your movement.

[Meciar] Our attitude toward the president is objective and not personal. As a politician, the president made several mistakes, which we publicly pointed out. If he speaks about the fact that the time is ripe to transform the federation into a union republic, then this is not our program, it is no one's program. The president is very popular, but he has lost political clout in Bohemia, as well as in Slovakia. The political entities and parties that supported him lost the elections. The president cannot deny his responsibility for the negative state of Czech-Slovak relations. We also cannot ignore his efforts to gain more personal power and to build the "castle" as the center of political power and clout. The president is responsible for his advisers, and not the other way around. Parliament, even in its old composition, actually expressed nonconfidence in the president by rejecting all five of his bills. The rejection of Havel's candidacy means the rejection of the policy he represents. If his name is used to worsen mutual relations, then that is his business if he allows it. It also is the business of some Czech political parties who wave Havel as their political banner, and because of this banner, people cannot see what is behind it. They will probably continue to propose Havel for president in order to anger the Czechs: Look, these Slovaks do not want Havel. However, they know that the Slovaks do not accept the existing form of elections.

[Sitko] Do you see any positive way out of this situation?

[Meciar] I proposed to the Czech National Council that the law on the presidential elections be changed. Let the Czech National Council elect their own president, and we will elect a Slovak president. Then we will adjust our mutual relations so that a president and a vice president of our common state could be established. When we look at the voting results in the presidential elections in parliament, then we see that Mr. Havel did not receive three fifths of the votes even in the Czech part of parliament.

[Sitko] Prime minister, with respect to Slovak policy intentions—which are seen negatively by the Czech people and by the world, too—is this the appropriate attitude? Should we not be trying to reach some compromise?

[Meciar] The president had his opportunity to act abroad in the Slovaks' favor. He has not done so for two years, why should we now expect him to do so? The president also had opportunities to take some steps within the country, different steps from those he took against some political parties and entities, or against Slovakia as a whole. The Czech side could propose a different politician, but it does not want to, since it uses the affair

surrounding Havel's candidacy to stir emotional feelings against the Slovaks among the Czechs. Havel's prestige abroad is also misused: look, you people abroad, at what the Slovaks are doing to Havel, such a great man, whom you like so much.

[Sitko] Can we be sure that in the event of the rapid and escalating collapse of the federation there will be no economic collapse after the two years of riding down the hill at breakneck speed? Will the HZDS voters not perceive such a development as an unforgivable mistake, and will the consequent social and economic problems cause the government to fall, no matter how strong it is?

[Meciar] If your prediction—rapid disintegration—proved right, then it is likely that there would be a collapse on both sides. We are saying that the entire process must be controlled, that we are changing our relations, and that our intention is not to destroy. Slovakia faces the fact that the other side does not want to accept Slovakia's conditions for coexistence. We have a choice: Either we ask for forgiveness because we were nasty and the federation will be preserved, or we are heading for an independent state. All of us who assumed responsibility after the elections are trying to find a compromise. We are trying as hard as we can to find one, but we have no right not to tell the people that we are at a crossroads. It is necessary for the other side to show understanding so that we can reach a compromise and agreement. But the other side only says yes or no.

[Sitko] Does this require a lot of patience?

[Meciar] First, I think that the process must be given enough time. This means that, during that time opinions should mature, and we should prepare ourselves economically and organizationally. To put it simply, we must be aware of all the consequences ensuing therefrom. We should also be able to define our common interests. For example, I asked our Czech partners what they see as the advantage of coexistence with the Slovaks. I have received no answer. We would be able to define this advantage precisely.

[Sitko] Does that mean that the Civic Democratic Party sees nothing positive in our coexistence?

[Meciar] They are saying that if we give up our demand for international status, they are willing to speak about powers within the state and to search for some financial resources to help Slovakia. If we do not give it up, they are not willing to discuss any form of cooperation and coexistence—except a customs union.

[Sitko] Are you sure that there is no possibility of a compromise, for example a limited international status....?

[Meciar] We have suggested all the possible alternatives that we could think of. During the talks that are underway there are not many things to chose from. It is only a yes-or-no problem. Any in-between solution is rejected by the Czech side in advance. As soon as we speak about the international status, there is no way of finding an agreement. Here, any rational thinking disappears. We had success in other areas, however. We have established, relatively quickly (on the basis of a political agreement), bodies of the Federal Assembly and of the Federal Government. We have completed the political program of this government. In many respects, this is a positive aspect for Slovakia. For example, we have equal representation in the government and diplomatic services.

[Sitko] I assume that the development will take a radical course. What can the Slovak citizens expect from independent Slovakia? It follows from the results of our polls that the overwhelming majority of our readers, who are supporters of your policy, expect a better life in the independent state. It may be a political mistake to define the sovereignty and independence of the Slovaks as a process that will take hundreds of years and as the final goal of the nation's efforts at self-determination, and not as a means of attaining more intensive social and economic development. I am afraid that the people will not be patient enough to tolerate the deterioration in their standard of living for a prolonged period (not even in the name of higher objectives).

[Meciar] I have asked economic experts for their opinion on what the possible separation would mean to Slovakia. Three out of four experts expected improvement, one of them deterioration. I am not satisfied with it. I asked for an international experts' report, and a group of people will leave for abroad shortly. It must be said that if the Czech side understood the division of the state as the division of the market, then it would mean a significant reduction of the market space and a strong deterioration in the economy. This is not what we want. This temporary deterioration could have a very bad impact on mutual relations, and not only on economic relations. I hope that reason will prevail on the Czech side, too. It is possible to transform the federation into a confederation so that people do not feel it. The election of the president is one of the elements that could have positive influence on the Slovak side. He would become the president of the Czech republic and, at the same time, the president of the confederative state. Should this not be the case, relations and the exchange of goods—based on the common currency, which makes this exchange easy—may deteriorate. If we have two currencies, then the exchange rate should be established objectively. It is likely that this rate would not be 1.06 korunas [to a Czech koruna] (according to Mr. Tkac) or 3 korunas, according to Mr. Calfa. We also have a new aspect here—the budgets will be created in a confederative manner. Each of the republics will live from the resources produced on its territory, and will contribute to the common budget either on the parity principle or according to its population (depending what item is involved). The mechanism of the functioning of the state is in crisis, but current talks with the Civic Democratic Party have shown that a solution lies in mutually advantageous agreements.

[Sitko] However, political considerations are preventing the talks from succeeding, aren't they?

[Meciar] If we look at the Federal Assembly, we see that the right wing is in the minority there. The right wing chose today: either to respect the Federal Assembly system of debates (the right wing cannot implement its program without discussing it with leftist parties), or it can get rid of the burden—the Federal Assembly itself. In this case it will seek a crisis, and Slovakia is the best place to find it. This is a political aspect of our internal relations and a possible reason for the current constitutional crisis.

[Sitko] Are you convinced that, in the event of economic crisis, there is no danger for Slovakia being ruled by a strong-hand government? I rule out the possibility that you, yourself, could be that undemocratic administrator. However, I do not rule out the possibility that other people could take over, people who still have bolshevik habits.

[Meciar] The elections in Slovakia were democratic. No one can question this, either at home or abroad. Doubts are being cast on the Slovak voters. From the very beginning the Slovak Government is placed in such a position as to be unable to develop its political program. Great efforts are made to create an insulation barrier abroad preventing Slovak politicians, or Slovakia as a whole, from being accepted. This barrier is being built by the Czech policy in the mass media and it is being brought to Slovakia every day by means of federal sources. They set the government and the people (our voters) against those who were elected. The effort to destroy and isolate us is quite obvious. However, we are behaving democratically, but resolutely. I have never been, and will never become, a dictator. However, I have never allowed the people around me to be idle. I am never idle. Slovakia will be democratic. We have a blueprint for mechanisms through which we are going to build Slovakia as a democratic republic. Today, if someone casts doubt on Slovakia, I must say that the Slovaks did not vote for an extremist party that would want to throw someone in the Danube (unlike the party elected in the Czech Republic). Slovakia opted for proportional representation in the Slovak National Council Presidium, which is democratic. Slovakia did not opt for the majority system, as the Czech National Council did, which is basically an undemocratic element. Some people are constantly concerned about our republic being democratic.

[Sitko] Prime minister, the question is, what would happen in the event of a crisis?

[Meciar] As long the HZDS exists and remains in the existing structures, then we will not have a strong-hand rule. This movement will protect democracy in Slovakia.

[Sitko] In the event of a big economic crisis, too?

[Meciar] In the event of a big economic crisis, too. We can get out of the crisis only by democratic means and methods, not by instituting a dictate. A dictate is no way out, a dictate means making the crisis more serious.

[Sitko] You are criticized for the fact that, in your capacity of the new prime minister, you are introducing "purges" in the state apparatus. You yourself condemned this practice when your predecessors installed their own supporters and friends in important posts of the state administration. It is exactly the way the party or movement installs their people in the state apparatus that shows how democratic it really is.

[Meciar] The state apparatus represents the sum of relations and tools for administering public affairs. The apparatus is good if it is functional and not too expensive. In 1990, we said that there was a large number of ministries in existence, and that their number must be reduced. It was expected that all the changes would be made by 30 July 1991. However, only in 1992 are we completing these tasks, which were artificially curbed. We are reducing the number of ministries and deputy prime ministers. The public has not been informed about the extent to which the bureaucracy has grown in Slovakia. Employees in federal organs and the Czech Republic's organs were reduced by more than 1,000. However, in Slovakia, their number increased substantially. The Slovak administration grew to become nonfunctional, to serve only its own ends and was self-generating. I do not have the right not to see that when people were installed in their functions, it was not expertise that mattered, but loyalty to the party, and even friendly and personal contacts.

Speaking about the state administration, there are a few goals we are trying to achieve. We are creating a different model of administration in which there will be no deputy ministers (only state secretaries). Then we will have section chiefs, who will represent experts in the apparatus, separated from the political management (from the minister and the state secretary). We are also preparing a system including so-called tenure. A law on state administration will have to be passed. However, this will be possible only after the new territorial setup is created and new relations between the state administration and self-administering units are created. Our objective is to transform the state administration into a functional administration. The state must also save money, to a reasonable extent, and search for wise people who are able to work with qualified people rather than with a lot of people. For example, if we merge the Ministries of Economy, Industry, and Trade, which employ over 600 people—and we know that 300 people are enough to do the work—then there is no reason to employ an additional 300 people.

[Sitko] It is mainly the Czech media that accuses you of attempting to interfere in the staffing of the Slovak Television and the Slovak Radio. Allegedly it is just one example of your undemocratic way of thinking and the first step toward an autocratic regime in Slovakia. As this concerns a fundamental and very sensitive issue in every

democratic state, could you comment on your stance regarding the media and journalists?

[Meciar] You can ask radio or television reporters whether I interfere in their work or influence them in any way. I am afraid, however, that the Slovak Television Council is becoming obsolete. We are contemplating the possibility of adopting the system like the Austrian television and radio, which has a common center. Our thinking is, however, within the framework of democratic systemic changes rather than within the framework of an autocratic regime. Objective and unbiased information is a necessary condition for democracy. Reporters, too, are only human. Their qualifications vary, and so does the level of their moral threshold. Reporters have high expectations from politicians but forget about themselves. It surprises me when a reporter denies certain values and then adopts them a month later. She violates principles of ethics, and acts as though nothing has happened. It makes me uneasy when someone abuses his position of journalist and is proud of being a journalist, considers himself to be a guarantee of democracy and does not realize that he does not have a patent on democracy. He is just a wheel in the political machine. An opinion that is different from his can also be a democratic one. There is a lot of information that a politician needs to communicate to the public, and he must find the best time and means. It is not good if a politician does not communicate with the public. A reporter does not have to agree with me, but he should not tell me that he will not let me on the screen....

[Sitko] Are you specifically referring to your television addresses?

[Meciar] Yes, I suggested that they be reinstated. The answer was no. The television decides on what I say. They provide the questions and the reporter who asks them. That means I do not really have a chance to decide on what is communicated to the citizen. Such a decision is made by the editor. I am only a tool of this communication, and I do not consider it democratic toward myself. Reporters can write what they want, so why do they insist on restraining me and preventing me from saying what I consider appropriate. That is the reason that these addresses are not broadcast, and Slovak Television is proud of not letting in the prime minister.

[Sitko] Do you really feel ostracized by the television?

[Meciar] To a point, one could say that there is discrimination. On the other hand, I believe that there are public legal institutions that we created, and they should remain public legal and unbiased institutions; they should understand that there are new programs, new people, new approaches, and the public has the right to know about them. I even understand that prior to their departure from the scene, the Christian Democratic Movement and the Civic Democratic Union-Public Against Violence movement entrenched themselves in these institutions. It is only thanks to these movements that many of their supporters who captured editorial office positions can shout: "We must stay here, for if we were not here, there would be no democracy here either." That is not democracy. It is the very opposite of democracy. Let us consider the Television Council. The director appoints several people (his subordinates) who, through the council, become his superiors. Thus, as a subordinate, he controls them, and, as the superior, he decides what television will do. There are more such absurdities in these mechanisms. Therefore, it should be quite a normal procedure to initiate some legislative changes.

[Sitko] Excuse me, Mr. Prime Minister, but I do not believe that the editor in chief of the television newscast is a Christian Democratic Movement conspirator in disguise.

[Meciar] I do not wish to pass judgment, but it is not normal for the Slovak National Council chairman to have to beg to have his address broadcast, and then have it broadcast without any announcement at a bad time of night. It is not normal if there are not any political broadcasts, and at the time the fate of Slovakia is being decided, there is no mention of it on television. We pretend that nothing is happening. It reminds me of the popular joke about Husak. They were sitting in a Tatra 603 car that broke down, and asked Husak what should be done. He told them to pretend the car was moving. I have the feeling that many journalists, too, pretend they report and work. They do not, however, report what matters, and what people should know about and learn.

[Sitko] Reports have appeared in the press about a new tandem, Dubcek-Weiss, as a promising symbiosis in Slovak politics. How do you perceive the possibility of close cooperation between the Social Democratic Party of Slovakia and the Party of the Democratic Left from the point of view of your movement? What would you like and what would you dislike about it?

[Meciar] Mr. Dubcek rejected Mr. Weiss before the elections. One of the conditions for his joining the Social Democratic Party of Slovakia was that no treaty with the Party of the Democratic Left would be signed. This stand has changed. Dubcek learned that he chairs a party that does not have any organizational structure or membership. If he is to get anywhere in politics, he needs these structures. He does not have the resources to build his own. Mr. Weiss, on the other side, wants to overcome his party's isolation, and join social democracy on the international scene. How should one go about the officials who left the Communist Party of Czechoslovakia quite recently, and want quickly to become national socialists? Moreover, with the HZDS in the way? Dubcek will provide the international contacts that will enable Weiss quickly join the Socialist International as a full member. These apparently are the reasons for the association of the two parties. I am not surprised that Dubcek changes over to the Party of the Democratic Left. It only confirms his reason for not joining the HZDS—he does not consider the HZDS a left-wing party but rather a political-center movement.

Regarding the proximity of our policies, it is possible to find common trends in the sphere of social policies. I do not like, however, the attempts by the Party of the Democratic Left to get power as fast as possible. And I do not like the endeavors to look different from what they really are at all costs, and sometimes even at the expense of a partner who carries a heavy burden. When it suits them, they even add to the burden. In the long run, that has never paid in politics.

[Sitko] Your wife Margita expressed a wish in a NARODNI OBRODA interview "to live in a common state, that Czechoslovakia does not disintegrate." May I ask whether you wish the same thing, or is it the prime minister's state secret?

[Meciar] My wish is that a Slovak be equal to a German, Frenchman, an Englishman, and all the others in Europe, and that the price we have to pay for this emancipation not be too high. It certainly will not be the price of human life, it definitely will not be the price of tremendous losses. Nonetheless, I cannot whip the Slovaks to this emancipation, I must ask them whether they want it. Hence, we must ask them in a referendum, and respect the answer. Therefore, what I want and what I can do are two separate categories.

## Panic on Peaceful Goals, Embargo, Croatia Ties

*LD3107170992 Budapest Kossuth Radio Network in Hungarian 1050 GMT 31 Jul 92*

[Report by station correspondent Vilmos Kovacs on a news conference by Yugoslav Federal Prime Minister Milan Panic at Hotel Attrium-Hyatt in Budapest on 30 July—passages within qotation marks are recorded remarks by Panic in English]

[Excerpts] "[passage omitted] I am to work on peace in Bosnia, but it is a very difficult task. I am the prime minister of Yugoslavia, and Bosnia-Hercegovina is an independent country. There are plenty of weapons in our region, but we do not need armies and weapons. We need factories, production, and services. We want a better life for our children and grandchildren. We have to reach the standards of the developed countries, and I think it is equally valid for Hungary. We have to carry out a demobilization in order that our efforts can be switched to the settlement of specific problems."

Milan Panic also stated that his government is striving for recognition of its neighbors on the basis of mutuality. He added: We would also like to improve economic relations, and the refugee issue should also be finalized. Yesterday I signed the first agreement with the deputy prime minister of Croatia. Accordingly, an exchange of refugees between Yugoslavia and Croatia will begin. This seems (?two things), but the important point is that this process has started, we have made the first step on a long road. My goal is the democratization of Yugoslavia and the creation of an open market economy. In Yugoslavia I would like to adopt the tested democratic value system of my second home, the United States. I would like Yugoslavia and Hungary to become much closer. Panic then switched to an analysis of the two countries' relations. [passage omitted]

In his opinion, Panic's peace call has resulted in the reduction of tension in Bosnia. Sarajevo Airport has opened, so have the roads, and the peace process has started in Bosnia in spite of the fact that we often receive different news on this, Panic said. He regards one serious problem as unsettled, that of refugees.

Changing the subject again, Panic pointed out that elections will soon be held in Yugoslavia, and then, talking about something else again, he stated: In the beginning I talked with Jozsef Antall as a diplomat, but I realized it was unnecessary, and we switched to an objective style, said Panic, and then he added: I regard good neighborly relations with Hungary as very important.

The first question at the news conference dealt with the embargo. Panic believes that the embargo is a political issue. It means that the world turned against Yugoslavia because the world believes that Yugoslavia acted incorrectly. I do not deal with the past—who was right or wrong, and in what. I want to eliminate the cause that provoked the embargo. The embargo is very effective politically. Economically it even helps us, Panic replied, for our citizens cannot spend their money in Hungary. This is not very good for you, but it is very good for us. Further, the people do not use their cars unnecessarily. Therefore the embargo is temporarily useful. Food prices are dropping because we cannot export food. After the analysis—that was rather difficult to follow—Panic said: We are not Iraq.

Vujic Tvrtko asked a question in Croatian, while he apologized for speaking Serbian. Panic noted, smiling, that, in his opinion, the two languages are the same. Regarding Yugoslav-Croatian relations, the prime minister said that he met with President Tudjman and proposed that he open the freeway between Belgrade and Zagreb. He added: Luckily, I have no past of any kind in Yugoslavia, while President Tudjman, to his bad luck, has. In spite of this, my personal relationship with President Tudjman is very good. Although Tudjman pointed out that historic problems exist between the Serbs and the Croatians, I just said I did not understand what he was talking about. I told him that we will recognize Croatia soon, and in order to do so only some details need to be clarified.

Speaking about minorities, Milan Panic said the following.

"We must learn to respect minorities. We must learn to live without the burdens that were put on our shoulders by Communism. We must respect human rights. My government is (?the first) to have a ministry that deals with human rights and minorities. The minister of justice is Hungarian. We shall create such conditions in Kosovo that the Albanians will be happy to live within the Yugoslav borders. The civil war in which Serbs, Croats, and Slovenes are taking part is a shame. It is the shame of a whole generation. I hope that this is in the past, and I prefer speaking of the future. [passage omitted]"

Answering a question as to whether 60 percent of those called up in Vojvodina are ethnic Hungarians, Panic said that he had informed the general staff of the Yugoslav Army that his aim is to create a professional army. Thus, if a Hungarian or a Serb does not want to be a soldier in the future, then he will not become one. He added: Do not ask me where I get the money for this. The important thing is that there is no draft in the United States, and yet the United States has the strongest army in the world.

## Jeszenszky, Armenian Discuss Bilateral Ties

*LD0308140492 Budapest MTI in English 1228 GMT 3 Aug 92*

[Text] Budapest, August 3 (MTI)—Foreign Ministers Geza Jeszenszky of Hungary and Raffi K. Hovannisian of Armenia held official talks in Budapest on Monday [3 August].

Themes included bilateral relations, the crisis zones surrounding the two countries—the situation in Karabakh and the southern Slav crisis—and the situation of the Hungarian minorities, the foreign minister said in an interview with MTI.

A protocol was signed on consultations between the two foreign ministries following the talks.

Jeszenszky was of the opinion that the Karabakh crisis is a major test of the new Europe and the CSCE process. The Republic of Hungary and the Armenian Republic have the same views as regards the means of solution, it was noted at the talks. The CSCE principles offer the framework for this: To denounce violence, to extensively ensure the rights of minority groups, and to enforce local governments.

Discussing bilateral relations, Jeszenszky said the two countries are linked not only by past relations, but the Armenians living in Hungary also imply a strong bond. This indicates that Hungary has upheld an enlightened, tolerant minority policy both in the past and present, which has made it possible for the aforementioned minority to create its dual links.

There are no issues of contention between the two countries. Culture is a promising area of cooperation, and economic contacts should also be set up. However, in view of the distance, these will probably not be intensive in the initial stage.

Political cooperation between the two countries at international forums can also be useful. According to MTI's information, one topic discussed at the meeting was that Gyorgy Nanovfszky, Hungarian Ambassador accredited to Moscow, would see to the representation of Hungary in the Armenian Republic.

Following the signing of the protocol on consultations between the Foreign Ministries, Geza Jeszenszky and Raffi K. Hovannisian appreciated the relations that link the two countries: The matter of the national minorities, and common interests. Raffi K. Hovannisian said Hungary—which they consider to be authoritative in the field of democracy—is an important model for the Armenian Republic.

### Government Ready To Review Russian Military Ties

*LD0308103992 Budapest Kossuth Radio Network in Hungarian 0900 GMT 3 Aug 92*

[Text] Hungary is ready to review and make concrete its military relations with Russia in the new situation that has evolved in Eastern Europe. This was stated by the administrative state secretary of the Ministry of Defense. Speaking to NEPSZABADSAG about President Yeltsin's request to his defense minister to launch negotiations with the countries of the former Warsaw Treaty, Antal Annus said that Budapest is not yet familiar with Moscow's proposal.

The state secretary also remarked that Hungary has an interest in the maintenance and development of military relations and not in potential cooperation. Antal Annus also referred to the fact that relations between the two armies are still regulated by an agreement signed in December last year. That agreement is still valid.

### State Secretary on Refugees, Relations With Croatia

*LD0308122292 Budapest Kossuth Radio Network in Hungarian 0900 GMT 3 Aug 92*

[Text] Hungary must prepare to receive refugees even in the long term. This was stated by the Interior Ministry political state secretary. Speaking to NEPSZABADSAG, Istvan Morvay also said that as yet the country's reception [befogado] capacity is not yet known. He confirmed the UN promise of a further grant of $3 million to Hungary for provisions for the refugees.

Istvan has strongly denied that the Hungarian proposition presented at the Geneva refugee conference damaged Hungarian-Croatian relations. Hungary stated that there is not much difference in deportation methods of the Serbs and the Croatians.

### Agreements With Netherlands, Slovenia Approved

*LD3107145292 Budapest MTI in English 1321 GMT 31 Jul 92*

[Text] Budapest, July 31 (MTI)—The Hungarian Government has approved a Hungaro-Dutch agreement on inland navigation, regulating the use of ports and waterways.

Government spokesman Balazs Laszlo said that during its Thursday [30 July] session the government also approved an agreement on scheduled flights between Hungary and Slovenia, under which air traffic can start immediately between the two states.

### Sejm Adopts Small Constitution; Leaders React

*LD0108184792 Warsaw PAP in English 1738 GMT 1 Aug 92*

[Text] Warsaw, Aug 1—The Sejm (lower house) on Saturday [1 August] adopted the Small Constitution defining relations between the legislative and executive power with a majority of 241 votes for, 55 against and 55 abstentions. Part of the house welcomed the adopted law with a standing ovation.

The Small Constitution introduces a presidential-parliamentary system in Poland that ensures an equilibrium and efficient cooperation between state bodies. It does not include the to-date declaration that the Sejm is the supreme organ of state authority.

The law contains a provision about the principle of proportional elections to the Sejm. It also states that persons in public service cannot conduct any activity incompatible with their posts or functions.

Along with the adoption of the Small Constitution, the former constitution of 1952 becomes void except for its thoroughly amended chapter saying that Poland is a democratic state of law that acts on the principles of social justice. Remaining are also provisions concerning the Constitutional Tribunal, the State Tribunal, the ombudsman, and several others.

The chamber rejected all 24 motions submitted by minorities, including the whole competitive draft prepared by the Union of Real Politics (UPR) which proposed to introduce a state council and a 120-member Sejm (the present one has 460 deputies). Also the motion to abolish the Senate was not approved by the chamber.

A majority of deputies also voted against the motions supported mainly by the Centre Alliance (PC), aimed to reduce the presidential powers in such matters as the appointment of the ministers of foreign affairs, national defence and internal affairs.

The House also failed to approve the motion to simplify the procedure of appointing the prime minister and the Government.

The new law gives the president more powers than before. After the elections he designates the prime minister and, at the latter's motion, the government which, however, must get the vote of confidence in the Sejm. The president cannot recall the government. The prime minister must consult the president about candidates for the ministers of foreign and internal affairs and of national defence.

The president has the right to approve all top military appointments.

If the Sejm fails to approve a cabinet after four attempts, the president may appoint a prime minister and a provisional government for the period of up to 6 months. If this government also fails to get the vote of confidence in the Sejm, the president may dissolve the Sejm.

The Sejm may grant the cabinet the right to rule by decree if the government asks for one. However, the decrees cannot concern amendments to the constitution, state budget, personal freedoms of citizens and employees' rights.

The new law requires that legal acts issued by the president be countersigned by the prime minister or a minister. The countersignature is not required if the president orders parliamentary elections.

Commenting on the new constitutional law Prime Minister Hanna Suchocka said its adoption marks a "great day for Poland." "It gives a chance to ask for the so-called fast legislative track called for by the previous governments and the president," she added.

Former prime minister Tadeusz Mazowiecki of the Democratic Union (UD), who led the team drafting the bill, said the adoption must put an end to the disputes over competences.

Another former prime minister, Jan Krzysztof Bielecki of the Liberal Democratic Congress (KLD) declared he was glad that the old Stalinist constitution of 1952 became invalid.

However, Aleksander Kwasniewski, leader of the Democratic Left Alliance (SLD), called the new law a bridge leading to a new constitution that should be worked out to "end the provisional stage."

Jaroslaw Kaczynski, leader of the Centre Alliance (PC), criticized the law saying that "it may very easily start a process of concentrating power in one (presidential) centre." Or else, the Small Constitution may excite "perpetual controversies," Kaczynski warned.

### Suchocka To Promote Efficiency of Administration

*LD3107175892 Warsaw PAP in English 1340 GMT 31 Jul 92*

[Text] Warsaw, July 31—Prime Minister Hanna Suchocka said Friday [31 July] that restoration of law and order along with competence and efficiency of the state administration are the basic principles of her government's policy.

Suchocka told a conference of provincial governors that she is against purges in state administration and does not want highly qualified people to be fired. Instead she will promote the formation of an apolitical civil service.

Suchocka also expects governors to cooperate with the government and inform it about unlawful protest actions, activities of international Mafia and other criminal activities that cause concern among society.

Presenting to public opinion its proposals concerning the functioning of state enterprises, the government proposes to introduce managerial contracts, increase the

share of employees in the enterprise's assets on a preferential basis, offer easier financial conditions on leasing an enterprise's assets and introduce reductions on purchases.

On the other hand, the government does not intend to carry out mass rescheduling or writing off of enterprises' debts. Instead, the rescheduling programme will be applied to individual, selected enterprises.

The government-proposed pact on enterprises will be subject to negotiations. However, the government will not yield to strikes, hunger strikes or other form of pressure.

The government counts on the governors' initiative and self-dependence in the privatization processes and the approach to foreign capital in their provinces. Suchocka's cabinet intends to clearly define the competences of the government and those of provincial governors in matters connected with the policy of foreign economic relations.

### Suchocka, Glemp Discuss Church, State Affairs

*LD0208085892 Warsaw PAP in English 0025 GMT 2 Aug 92*

[Text] Warsaw, Aug. 1—After meeting Poland's primate, Cardinal Jozef Glemp in Warsaw Saturday [1 August] Prime Minister Hanna Suchocka said she called on the primate because as a new premier she wanted to meet the head of Poland's Roman Catholic Church. She added the primate returned home only Friday from holidays and she was satisfied they could discuss issues of the church and the state and the role of the church in the new Polish reality.

Suchocka stressed that this was the first courtesy visit which provided an opportunity to discuss essential questions for Polish society, such as morality and the church's teaching.

Glemp stated that the church would support the supreme values about which the premier spoke in her first address in the Sejm, that is the state and common good.

### Minister Discusses Status of Poles Living Abroad

*LD3107202992 Warsaw PAP in English 1937 GMT 31 Jul 92*

[Text] Warsaw, July 31—Polish Foreign Minister Krzysztof Skubiszewski on Friday [31 July] told the Sejm (lower house) Committee for Contacts with Poles Abroad that one of the goals of the Polish foreign policy was to guarantee Poles living abroad a position they deserve in countries of their residence.

"We strive for organizing a pro-Polish economic lobby in these states," he said adding that the fate of all Poles worldwide was of equal importance but "east is the priority as it is where Polishness is being reborn and we must support it, respecting sovereignty of these states."

Asked about the effects of this policy Skubiszewski said that the implementation of agreements was making progress, also in Lithuania where "persistent steps by the Polish Foreign Ministry resulted in the fixing of a date to elect self-government bodies in the Vilnius and the Salcininkai regions." The minister said the "principle of succession will be observed towards Poles" during reprivatization carried out in Lithuania, which will guarantee the regaining of their property lost in the past.

Skubiszewski stressed the status of Poles in Byelarus and Ukraine was regulated "as regards central authorities." But there are local problems stemming from misunderstandings, also over religious questions as in the case of Byelarus.

Answering a question about his ministry's stand on the return of Poles from the east, Skubiszewski said Poland would have to be open to every foreign Pole who would like to return here but this should be his decision.

### Official Views Relations With Baltic States

*AU3107092892 Warsaw NOWY SWIAT in Polish 25-26 Jul 92 pp 1, 4*

[Interview with Grzegorz Dziemidowicz, press spokesman for the Polish minister of foreign affairs, by Wlodzimierz Sochacki and Zbigniew Zukowski; place and date not given: "The Road to Europe Runs Through Poland"]

[Text] [NOWY SWIAT] Poland has recently acquired more neighbors. Relations with those states must, ipse facto, become the main focus of Polish foreign policy interest. What interests us is how the Ministry of Foreign Affairs sees the future of those relations.

[Dziemidowicz] You are the first journalists from NOWY SWIAT to have visited the Ministry of Foreign Affairs. Until now, your newspaper has only directed invective at the ministry. I take your visit to mean "mutual relations are being normalized."

[NOWY SWIAT] We would also like to bury the hatchet. To return to what we were talking about: During his recent visit to the CSCE summit in Helsinki, Lech Walesa, accompanied by Minister Skubiszewski, held talks with Lithuanian president, Vytautas Landsbergis. What did they discuss?

[Dziemidowicz] The clear initiative for the meeting between the two leaders came from the Lithuanian side. The meeting was later described as very serious and important for the future development of relations between Vilnius and Warsaw. I think that was an accurate description. Relations between neighboring countries develop at various levels. What was occurring in relations between Poland and Lithuania, especially recently, gave rise to certain misunderstandings that had to be clarified, and I hope that has now been accomplished. President Walesa said that he believed that the two nations should work hard at bringing each other

closer together without looking at particular incidents or those issues that divide us. Quite simply, there are more things uniting us than dividing us, and we have to work on those issues that unite us.

[NOWY SWIAT] The Polish Ministry of Foreign Affairs has adopted a step-by-step approach toward Lithuania. The signing of a Polish-Lithuanian declaration was to be part of it. However, not one of the most important issues affecting Poles living in Lithuania has yet been resolved. Local elections in Polish regions are being constantly postponed. Poles are being discriminated against in the privatization and reprivatization processes. The Lithuanian authorities have banned the use of Polish textbooks in schools. In light of all this, do you think that the step-by-step approach is correct?

[Dziemidowicz] I would not term it a step-by-step approach. I think that our policy toward our neighbors in the east and Poland's eastern policy generally is very consistent as well as unambiguous, and that has been the case since the very beginning, since September 1989. This applies to Lithuania as well as to Latvia, Estonia, Russia, Ukraine, and Byelarus. Of course, any agreement between states, and in this case we should add that we are dealing with states that have emerged following the collapse of the Soviet Union, only bears fruit after lengthier talks and negotiations, and to demand immediate results, as many politicians and journalists did, is simply nonsensical.

It is only now that we are beginning to reap the fruits of negotiations with our eastern partners that often lasted countless months. Talks are still in progress—although it is no longer a secret that they are drawing to a close—on the subject of a Polish-Lithuanian treaty that will, in a sense, be the crowning point of our efforts regarding eastern policy.

There were also aspects of Polish policy toward Lithuania that met with our partner's understanding as well as issues that have not been resolved thus far, such as the situation of citizens of Polish extraction. I think that it lies in the interest of both Polish and Lithuanian authorities to reach agreement not only on general issues, but also to agree on treating the Polish minority in Lithuania in keeping with European standards. Yesterday, the Lithuanian authorities announced that elections would be held in the Vilnius and Salcinikai regions on 22 November.

We are mainly talking about politics, but there are currently a whole series of economic and cultural agreements linking Poland and Lithuania. Border area cooperation is beginning to develop, and there is the whole Via Baltica project concerning cooperation in the Baltic region. That is another reason one cannot talk about being limited to a step-by-step approach in our dealings with Lithuania. One also cannot talk solely about negative elements and friction, because, as I have said, the policy also consists of what I would call very big steps as well as negative elements, but that is completely normal in relations between independent states and neighbors. Thanks to the fact that the Polish-Lithuanian declaration has been signed, there is a basis for turning to the Lithuanian side and asking for implementation of the decisions that it contains. If there were no such declaration, then mutual relations would still lack a legal foundation. We are currently expecting this to assume a higher form, that is, a Polish-Lithuanian treaty. I think that by the time it is signed, our main differences, including the question of the Poles in Lithuania, will be successfully resolved.

[NOWY SWIAT] Minister Skubiszewski recently signed treaties with Estonia and Latvia. Does that mean that in light of what we could call friction with Lithuania, we are prepared to view those two countries as our main partners in the eastern Baltic region?

[Dziemidowicz] No, absolutely not. I would not balance relations with Lithuania against those with Latvia and Estonia. Our policy is to develop the best possible relations with our neighbors. It is, however, a fact that our relations with Riga and Tallinn are very good and simply do not have those elements causing friction regarding Poles living in the two Baltic republics. Concerning the position of Poles, of whom there are over 60,000, or even substantially more—the Poles living there claim that there are about 100,000 in Latvia—relations can even be described as exemplary. I am only referring to the attitude of the state authorities toward the Polish minority, the opportunities for developing the Union of Poles in Latvia, schools, and Polish culture. One can only wish that Poles in other states found themselves in a similar position.

[NOWY SWIAT] What kind of economic interests do we have with respect to Latvia and Estonia?

[Dziemidowicz] When Minister Skubiszewski was in Riga and Tallinn, 11 agreements and accords were signed. Of course, the treaties were the most important documents. The treaty with Estonian talks about friendly cooperation and Baltic neighborly relations. Something that is currently being very widely developed in Europe are all kinds of regional agreements that go beyond bilateral relations. The three Baltic countries make up the Baltic Council, whereas we belong to the Visegrad triangle and the Baltic Cooperation Council. It is a very serious forum that has a great future ahead of it, if only in areas such as environmental protection and transportation. It is a question of setting up regular road transportation and of opening up new border crossings and their capacity. These are problems that require large financial outlays and goodwill on both sides. All the states in the region attach a lot of importance to cooperation.

Soviet forces are a great problem for all these republics. It is a fundamental issue that is always raised during talks. This is an area in which Poland has some experience gained in its long and difficult dealings with Moscow. This is why we have offered to share our

experience. It is an issue of great importance for them because it concerns their security and sovereignty. We are fortunately at the final stage, but they are only at the beginning of that difficult road.

[NOWY SWIAT] When Walesa was being received in Helsinki, he met the leaders of the West's most highly developed nations. What was discussed at those meetings?

[Dziemidowicz] Walesa's talks were primarily with President Bush, Chancellor Kohl, and President Yeltsin. I was present at that last meeting and I can say that Walesa came out very well. He immediately tackled Yeltsin on the issue of implementing the accord on the withdrawal of former Soviet forces from Poland as quickly and efficiently as possible. Yeltsin said that he would do everything within his power to ensure a successful outcome.

I would like to add that all countries and especially our neighbors are closely following the changes taking place in Poland, and attach great importance to relations with Poland and to Polish experience. Latvian Prime Minister Godmanis, who possesses a sharp intellect and is exceptionally forceful and energetic, began his conversation with Minister Skubiszewski by asking what we have achieved and what we have failed to achieve in reforming our economy. For them, Poland is an example, and they want to make full use of our experience. In Latvia and Estonia it is believed that the road to Europe leads through Poland. That can be a great boon for us.

## Bank President Sees Economic Decline Overcome

*AU0208194492 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 31 Jul 92 p 13*

[Inge Loepfer report: "Poland's Economic Development in the Lead in Eastern Europe"]

[Excerpts] Frankfurt, 30 July—After a decline of the gross domestic product [GDP] by nearly 7 percent in 1991, the all-time low in Poland's economic development has now been overcome according to the country's central statistical office. Polish Development Bank representatives hold a similar view. This year, production will stabilize at the 1989 level and industrial production will even rise by 3.4 percent. The share of privately earned incomes in the country's GDP will increase to 50 percent from 45 percent last year. In this connection, the difference between other formerly socialist countries like Hungary and the CSFR becomes apparent. Wojciech Kostrzewa, president of the Polish Development Bank, stated in an interview with FRANKFURTER ALLGEMEINE. In these countries, the restructuring of the economy started one year later; they expect negative growth rates for 1992, as Poland did in 1991. [passage omitted]

The Polish central bank has been pursuing a policy of gradual depreciation: The zloty is being devalued by up to 1.8 percent every month against the hard currencies. In February and May, however, the Polish currency was depreciated by 12 and 17 percent.

After years of hyperinflation that reached 2,000 percent in 1989 and was caused by radical price deregulation, the inflation rate will stabilize at about 35-40 percent in 1992, Kostrzewa believes. This will be another precondition for a long-term recovery of the Polish economy. With its decision to determine the credit interest rate at 39.5 percent—this is still the most important monetary instrument—in June this year, the central bank carefully attempted to lower the interest level and relax the past restrictive monetary policy. At 11.6 percent, Poland's inflation rate was clearly lower in the first quarter of this year than in the same period last year (25.7 percent). [passage omitted]

The 1992 budget has now been adopted. The Polish Government has pledged not to allow the state deficit to exceed 5 percent of the GDP [Gross Domestic Product], as demanded by the IMF. Thus, the preconditions are met for the IMF to resume its aid program covering three years that was suspended at the end of last year due to differences over the Polish budget. In 1991 the Polish government was not able to meet the IMF requirements. A restriction of the state indebtedness to 5 percent of the GDP was only possible by cutting social expenditure that no politician wanted to announce prior to elections last October. After the budget adoption, the agreement negotiated with the IMF stands a good chance of being signed soon, Kostrzewa stressed. Above all, the state had to reduce social expenditures. The president of the Development Bank stated that he cannot understand the concerns regarding an exploding state deficit: It is not possible to adopt a budget that entails an even higher deficit because, after all, Poland has no financial resources to cover a larger deficit. However, as has become known in Finance Ministry circles recently, the budget deficit is expected to exceed the limit set by the IMF by about 50 percent. This is reportedly due to the postponement of the planned tax and energy price increases and the inadequacy of the financial administration.

## Paper Questions Politicians on Key Economic Issues

*AU3107103292 Warsaw GAZETA WYBORCZA in Polish 23 Jul 92 p 17*

[Interview with Deputy Prime Minister Henryk Goryszewski, Finance Minister Jerzy Osiatynski, and Tadeusz Syryjczyk, chief adviser to the prime minister, by Jan Bazyl Lipszyc; place and date not given: "Concerning the Budget"—first paragraph is GAZETA WYBORCZA introduction]

[Excerpts] Deputy Prime Minister Henryk Goryszewski, Finance Minister Jerzy Osiatynski, and Tadeusz Syryjczyk, chief adviser to the prime minister, are the men who will draft the economic policy of Hanna Suchocka's government. GAZETA WYBORCZA asked them questions on the key problems of our economy. [passage omitted]

[Lipszyc] What do you consider the most urgent economic matters now?

[Goryszewski] It is essential to accelerate the breakup of monopolies, especially the monopoly over fuels and energy. This is the first matter I have set my mind to since assuming this post.

Concerning current issues, the drought is causing problems in agriculture. The economic consequences, and the extent to which these consequences will burden the government's antirecession program are being examined. One must consider the extent to which food prices may rise, and what will happen when households spend more money on food instead of durable goods.

[Osiatynski] The most important strategic matter facing the government and its political backing is an expansion of the coalition to include the Center Accord and Polish Peasant Party. I do not think these two parties are far removed from us concerning economic issues.

Another matter is to restructure incomes and budget expenditures. It is essential to reform the budget sphere, in other words, the health service and education, as well as social insurance and social security.

[Syryjczyk] The most important strategic problem is to heal the condition of public finances and to create a lasting budget policy that will not change every four months.

The second task is privatization, both general privatization, and capital privatization. The formation of workers' companies will be encouraged.

The third problem is agriculture, accounting for 30 percent of Poland's labor force, and rural areas, in which 38 percent of the population lives. The agricultural reforms must take into account the interests of this enormous mass of people.

We in the Democratic Union have a housing program under way. One of its authors is the minister of construction, so I think the program will be implemented rapidly.

The government must also respond to the strikes in the coal mines and the situation in the copper-mining basin, but it cannot do so at the expense of strategic problems.

## Jacek Kuron Seen as Most Trustworthy Politician

*LD0208175992 Warsaw PAP in English 1719 GMT 2 Aug 92*

[Text] Warsaw, Aug. 2—Some 88 percent of respondents to a poll conducted by the CBOS Public Opinion Polling Centre in July declared Labour Minister Jacek Kuron is the politician they trust most.

Kuron is followed closely by Foreign Minister Krzysztof Skubiszewski, with 77 per cent of the respondents declaring confidence in him, the Peasant Party leader Waldemar Pawlak (73 per cent), Prime Minister Hanna Suchocka (65 per cent) and the Democratic Union leader Tadeusz Mazowiecki (59 per cent).

High on the list of politicians regarded as trustworthy are also President Lech Walesa, the Democratic Union activist Bronislaw Geremek, former prime minister Jan Krzysztof Bielecki, Solidarity leader Marian Krzaklewski and leader of the Confederation for Independent Poland Leszek Moczulski.

Two current Deputy Prime Ministers Pawel Laczkowski (5 per cent) and Henryk Goryszewski (9 per cent) placed at the bottom of the list, behind the Centre Alliance leader Jaroslaw Kaczynski, who has the confidence of 17 per cent of the respondents, former interior minister Antoni Macierewicz and the "Self-Defence" Farmers' Union leader Andrzej Lepper (both 14 per cent).

## Privatization Minister Views Mining Crisis

*AU3107090592 Warsaw GAZETA SWIATECZNA in Polish 25-26 Jul 92 p 4*

[Interview with Janusz Lewandowski, minister without portfolio with responsibility for privatization, by Jaroslaw Kurski; place and date not given: "The Government Is Not Just Proposing Unemployment"]

[Text] [Kurski] You are an avowed conservative and Thatcherite. In ZYCIE WARSZAWY, you praised the tough stance that the Iron Lady adopted toward striking British miners. What are you proposing today?

[Lewandowski] Thatcherism was valued for its political effectiveness and its understanding of the economic raison d'etat. Margaret Thatcher broke the miners' strike, because coal mining was becoming a growing burden for the economy and for British taxpayers, as well as an environmental nightmare.

The Polish Government's approach cannot be a copy of Thatcherism. It has to be a combined government and union search for solutions to the industry's current and long-term problems. For the sake of long-term interests, one cannot give in to wage demands that exceed the financial capabilities of mines.

[Kurski] You are speaking as a minister, but what would you say if you were a desperate miner?

[Lewandowski] If I were a miner, I would see the world through the eyes of a miner, and I would also no doubt stand up for my rights. However, the miners' view of the economy and their situation must coincide with the objective state of the economy and the real state of the mining industry. Miners must realize that the conflict is between them and other social groups that would also like to be financed out of the budget. The government has a duty to defend the common interest, even if that means a loss of popularity. In Europe, mining is not an industry that will lead to technological progress and the country's advancement.

[Kurski] Did previous governments waste their time? After all, it has been known for a long time that the mining industry is a time bomb.

[Lewandowski] I have often said that we have wasted much time since 1990. A weakness in Polish Government over the past few years has been the lack of lucid programs and strategic choices.

What we lack today is a clearly defined vision of the future. The lack of clear concepts was a cause of the problems that were experienced in negotiations with the EC, and it made privatization very difficult for me, since certain decisions had to be made in the dark and not in step with a conscious strategy.

[Kurski] Has the government already decided on a particular strategy?

[Lewandowski] I hope that this government will speed up work on formulating its positions on key and exceptionally politically-sensitive industries such as mining, iron and steel, and defense. I can understand people's frustration, because in addition to the pressure for higher wages, people in those industries want the government to provide a clear vision of the future.

[Kurski] How does the government intend to hold negotiations with the trade unions without knowing what it wants?

[Lewandowski] The government generally knows what it wants. Programs were drawn up under Mrs. Bochniarz and later, but they are "incomplete" visions. It has to be realized that a reform priority is not to constantly think about the budget, but to bring about institutional change. The government must have strategic concepts, at least concerning the main sectors of the economy.

[Kurski] But it still does not have them.

[Lewandowski] It does not. They are still formulated.

[Kurski] That is not a convenient government position in its negotiations with the unions.

[Lewandowski] That is why we announced that we will submit our proposals at what amounts to breakneck speed. The proposals pertain to state enterprises, the principles of privatization, and the overhauling of the banking system. It means that we will have to work 24 hours a day.

[Kurski] "Solidarity" has set 31 July as a deadline.

[Lewandowski] That provides too little time to complete the programs, although in some cases work has been proceeding for a long time.

[Kurski] What can the government propose to miners who are out of work? Can it only propose unemployment?

[Lewandowski] It would be political lunacy to propose unemployment as an alternative to carrying on the existing state of affairs. To return to the lessons of Thatcherism, the success of Margaret Thatcher's policies rested on the fact that the government was involved in creating new jobs in threatened regions. An enormous number of jobs were created; jobs that were ecologically healthy and clean from an environmental protection viewpoint. Miners mainly found work in the services sector. Not only the government, but also mining unions were involved in the process.

That does, of course, require tax incentives and special instruments for assisting private enterprise, and that is a recipe for Silesia too.

### Iliescu Receives Panic, Discusses Embargo

*AU0208162992 Bucharest ROMPRES in English 1504 GMT 2 Aug 92*

[Text] Bucharest, ROMPRES, 2/8/1992—The issue of the UN embargo imposed on Serbia and Montenegro, which directly affects Romania, was the centerpiece of the talks the Romanian president, Ion Iliescu, had, Sunday, August 2, with the Yugoslav premier, Milan Panic, who was paying a short visit to Romania.

Attending were the Yugoslav minister of information, Miodrag Perisic, the Yugoslav ambassador in Bucharest, Desimir Jeftic, the Romanian prime minister, Theodor Stolojan, the Romanian foreign minister, Adrian Nastase, and the Romanian minister of commerce and tourism, Constantin Fota.

The Romanian position as regards the conflict in Yugoslavia was reasserted, but also Romania's strict observance of the embargo imposed on Yugoslavia, the two parties expressed their wish to relaunch, after all these issues were solved, the good links that have always existed between them. The efforts of Premier Panic were appreciated, to seek a way for a domestic and international dialogue aimed at finding a political solution to the conflict. By applying the sanctions on Yugoslavia, Romania is directly affected by serious economic losses, it was mentioned.

The two parties expressed their wish that after the current difficult situation was overcome, bilateral ties be resumed and developed, in view of an economic community to be created in the area, favoring the relaunching of the economies of the countries affected by the embargo on Yugoslavia.

### Premiers Endorse Balkan Economic Union

*LD0208150392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1428 GMT 2 Aug 92*

[Text] Bucharest, 2 Aug (TANJUG)—Yugoslav and Romanian Prime Ministers Milan Panic and Theodor Stolojan today endorsed the idea of creating an economic union of the Balkan states.

After a four-hour visit to Bucharest and talks with Romanian officials, Milan Panic told journalists that President Ion Iliescu and Prime Minister Theodor Stolojan suggested that Bucharest be the host of the conference on Yugoslavia. Panic expressed his conviction that the conference, at which all the former Yugoslav republics would reach an agreement on a peaceful solution to the Yugoslav crisis, will fulfill "a part of the conditions necessary to lift the sanctions."

"We will do everything to solve our problem alone," Panic said.

Conveying the assurances given him by his hosts, Panic said that Romania would be the first country to help Yugoslavia remove the sanctions. Prime Minister Stolojan confirmed that fact, stressing Romania's readiness to lift the trade embargo if Yugoslavia fulfills the imposed conditions.

Elaborating on the proposal of an economic union in that area, Panic noted that in this way the Balkan countries would be able to integrate more easily into the development in Europe and in the world.

Panic, as he said, officially invited Romanian top officials to visit Belgrade, and thanked his neighbors for the cordial reception and understanding. Panic left Bucharest for Sofia, accompanied by around 50 domestic and foreign journalists.

### Stolojan, Panic Brief Reporters

*AU0208162792 Bucharest ROMPRES in English 1355 GMT 2 Aug 92*

[Quotation marks as received]

[Text] Bucharest, ROMPRES, 2/8/1992—The Yugoslav premier, Milan Panic, and his Romanian counterpart, Theodor Stolojan, held a press conference, Sunday, August 2, at the end of the short visit the former paid to the Romanian capital. The two shortly referred to the results of that day's Romanian-Yugoslav talks. They announced that the Romanian capital would host shortly a conference on peace in Yugoslavia.

Referring to the results of the visit the Yugoslav premier, Milan Panic, has paid to Romania, the Romanian premier, Theodor Stolojan, told the news conference organized at the airport, before the guest's departure, that the short meeting was "very useful. We reviewed the issues Mr. Panic has to face in his attempt, which everybody wants to be successful, to establish peace in Yugoslavia, as well as the problems Romania has to overcome.

We have reached the conclusion, together with Mr. Panic, that our two countries, and not only them, but also our other neighbors must think of a future economic union, to better face together the difficulties of this period, Premier Stolojan said.

Another wish we share is that the UN embargo be put an end to, following the observance of the conditions set for its lifting. We also want, both of us, to develop the ties between our two countries, after the lifting of the embargo. For the time being, Romania wants to enlarge its humanitarian aid to Yugoslavia, strictly within the legal framework set by UN," mentioned the Romanian prime minister.

"I am very much impressed with the good neighborliness policy I have found Romania is leading. I have no doubt now that we have very good friends not far from Belgrade. I have no doubt that these friends of ours have interests similar with our own, the Yugoslav premier, Milan Panic, told the news conference organized at Otopeni airport on Sunday, August 2, at the end of the few-hour visit the head of the Yugoslav government paid to the Romanian capital.

I was assured that Romania would be the first to back Yugoslavia that the embargo against it be lifted, if Yugoslavia observed the decisions taken by UN. That coincides with the position of my government, and it is very encouraging to meet someone to say he will back us so that the sanctions be lifted. Of course, we are members of the international community, and we have to live in this community. That means that Yugoslavia and the Yugoslav Government will comply with all the conditions and clauses for the embargo to be lifted," mentioned the Yugoslav premier.

"Our two countries are, no doubt, small in comparison with the big economic powers of the world," said Mr. Panic. "I think, and that is what the Romanian premier and the Romanian president think, that to be able to enter an efficient competition with other countries in the world, we have to put our economies to work together, as we need much capital."

"In my opinion all Balkan countries can form an economic union strong enough to compete with developed countries. We have good intentions, similar cultures, and I can say in the end that I have been received as a neighbor. I have invited the leaders of Romania to visit Belgrade. There is a new start now in the Romanian-Yugoslav relations."

Premier Panic said in answer to a question, that a conference on peace in Yugoslavia could start before the sanctions were lifted in order to open the way to the lifting of sanctions. "I consider that the most important conference on this issue could be the one which I hope will take place in Bucharest." In the context, the Yugoslav premier specified that only the former Yugoslav republics could solve their problems. We have to invite the international community to help us, but they must not come uninvited," mentioned the Yugoslav premier.

## Foreign Minister Replies to Moldovan Message

*AU0108163592 Bucharest Radio Romania Network in Romanian 1000 GMT 1 Aug 92*

[Report by Gabriel Ionescu from Chisinau]

[Excerpts] The Foreign Minister of Romania, Mr. Adrian Nastase answered the message addressed to him by his Moldovan counterpart, Mr. Nicolae Tiu. [passage omitted]

The letter of Mr. Adrian Nastase reads, quote: Like yourself, I am also convinced that military observers of the four countries should be deployed in the conflict zone as soon as possible. That would also be in concordance with stipulations of the convention signed on 21 July in Moscow by the President of the Republic of Moldova, Mr. Mircea Snegur, and by the President of the Russian Federation, Mr. Boris Yeltsin. That is why I agree to the suggestions you made to grant more power to the representatives of the four foreign ministries in the joint commission, as well as to the commanders of the national military formations acting as military observers, who are also members of the joint commission. Thus, they should begin organizing ways of cooperation among the groups of international military observers and the Unified Control Commission that was set up according to the Moscow convention.

I think that the activity of the international military observers aiming to monitor the cease-fire agreement and disengagement of the conflict parties can continue according to the provisional rules agreed upon by the four foreign ministers during their 17 April four-way meeting in Chisinau, unquote.

The Romanian Foreign Ministry, Adrian Nastase's reply says, has given special directions to its representatives in the joint commission, instructing them to seek direct involvement in the negotiations that are being conducted on the deployment of the international military observers along the whole conflict line. Should the deployment of international military observers raise problems that go beyond the mandate established for the joint commission during the 17 April four-way meeting, those problems could be tackled by another meeting of the four countries' foreign ministers, which could be organized around the middle of August, on the basis of recommendations made by the joint commission.

Esteemed listeners, the Foreign Minister of the Republic of Moldova, Mr. Nicolae Tiu, said today that he is still waiting for an answer from his counterparts in Kiev and Moscow.

## Non-Parliamentary Parties Protest Broadcast Policy

*AU0108181792 Bucharest ROMPRES in English 1521 GMT 1 Aug 92*

[Text] Bucharest, ROMPRES, 1/8/1992—A meeting of representatives of non-parliamentary parties was held in Bucharest at the headquarters of the Free Democratic Party. Questions were debated related to the activity of these political groupings in the present election campaign. A declaration was adopted signed by the representatives of 32 non-parliamentary parties on the recent talks they had with the members of the parliamentary commission allotting television broadcasting time.

In their declaration, sent officially to the President of Romania, to the leaders of the two chambers of Parliament, to the Prime Minister, to the Constitutional Court, the Central Electoral Commission, and to the Supreme Court of Justice, the non-parliamentary parties request the convening of Romania's Parliament in an extraordinary session "to abrogate the discriminatory provisions" regarding the access to audio and visual media during the election campaign and "to provide for equal opportunities for all political groupings, be they parliamentary or not," in the upcoming elections. "If these discriminations are maintained," the declaration reads, "the September 1992 elections are not and cannot be free and fair."

At the meeting the decision was made to form a union of extra-parliamentary parties to work in an organized manner for the promotion of these political groupings' interests.

### Manzatu Confirmed as Presidential Candidate

*AU0108144492 Bucharest ROMPRES in English 1000 GMT 1 Aug 92*

[Text] Bucharest, ROMPRES, 1/8/1992—In its Friday, July 31, meeting held in the city of Cluj-Napoca, the National Council of the Republican Party approved of the candidacy of university professor Ioan Manzatu for Romania's president. The communique sent to ROMPRES also specifies that the same meeting debated and deepened the measures to be applied for a smooth run of the election campaign within the Republican Party. It also analysed the party's lists of candidates for the Senate and the Chamber of Deputies.

Twenty-five politicians have announced their candidacy so far. According to the election law, they shall have to advance a list with 100,000 signatures of supporters for their contesting the presidential office.

### PAC Warns Against 'Uncontrollable Conflicts'

*AU3107173692 Bucharest ROMPRES in English 1403 GMT 31 Jul 92*

[Text] Bucharest ROMPRES, 31/7/1992—In an "Appeal to the Country" released in Bucharest, the Civic Alliance Party [PAC] calls the fundamental institutions of the state, the Army, the church, the administration, the trade unions, the spiritual and civic formations, the political parties to cooperate for the ensurance, in the following months, of a climate of understanding and tolerance.

On the other hand, the document appreciates that "there are political forces and personalities—we name first and foremost the present president—who, because they are afraid of sanctions, are also afraid of changes and they do all they can to hamper them." According to the Civic Alliance Party, these forces and personalities "will be held responsible for pushing the country into uncontrollable conflicts which cannot but delay Romania's return to democracy and normality."

The appeal expresses the concern over the offensive of the conservatory forces in the former Soviet bloc, forces "interested in restaurating the political regimes guilty of the current disaster" and opines that "the old structures have not disappeared in Romania."

The appeal reads that "in the following period all the premises are in place for an escalation of tensions which, in the framework of a shrewdly maintained disunion, might degenerate into a series of conflicts, therefore the national reconciliation represents a vital necessity and an imperative of the moment."

### 43 Prefects, Underprefects 'Released' Since Feb

*AU0108182392 Bucharest ROMPRES in English 1539 GMT 1 Aug 92*

[Text] Bucharest, ROMPRES, 1/8/1992—After the February 1992 local elections the government released 43 prefects and underprefects from office, specifies the Public Local Administration Department. The drive was a consequence of the setting up of the authorities of local administration, that is, local and county councils as deliberative authorities, and of town councils as executive authorities in keeping with the obligations incumbent on the government under Law 69/1991. Their obligation is to organize prefectures as new institutions with completely different tasks and attributions from those set by the previous legislation (Law 5/1990).

Concomitantly with the appointment of its representatives in counties, the executive also started organizing the prefectures in consideration of the need to adapt them to their new attributions set under the Law of Public Local Administration.

### Drivers Block Road To Protest Gasoline Shortage

*AU3107175792 Bucharest ROMPRES in English 1443 GMT 31 Jul 92*

[Text] Bucharest ROMPRES, 31/7/1992—On Friday [31 July], for several hours at noon, hundreds of car drivers blocked the traffic on the Bucharest-Ploiesti road near the largest gasoline station in Bucharest—the one at Baneasa Bridge. They expressed in this way their indignation over the lack of gasoline and the long waiting to fill their tanks. At the police's intervention the car drivers refused to deblock the road, even when the minister of industry, Dan Constantinescu, arrived there and promised to supply gasoline immediately.

### Fuel Company Improves Supply

*AU0108164792 Bucharest Radio Romania Network in Romanian 1000 GMT 1 Aug 92*

[Text] A number of additional PECO [Unit for Sale of Petroleum Products] gasoline stations will be permanently open today and tomorrow in Bucharest Municipality, while another 18 stations will be open between 0800 and 1600 local time, a communique of the PECO fuel trade company says. The communique also mentions the fact that those stations will be supplied with about 1,000 tonnes of gasoline on 1 and 2 August. The communique issued by PECO also states that according to available information, gasoline retail prices for the population will not be raised over the month of August.

## Karadzic 'Prepared' To Make Concessions

*LD3107173192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1305 GMT 31 Jul 92*

[Text] Belgrade, 31 Jul (TANJUG)—Radovan Karadzic, president of the Serbian Republic of Bosnia-Hercegovina (SRBH), stated at today's news conference in the Belgrade International Press Center that the Serbian side in the Bosnian conflict is prepared to make territorial concessions, so that the Muslims can have their own canton in Bosnia-Hercegovina.

Karadzic said, since it is increasingly being rumored in Europe that Bosnia-Hercegovina should be divided into two parts, and since the Muslims are not a nation but a religious community, a canton should be formed. He added that the Muslim side should join the negotiations as soon as possible and stressed that he does not agree that the Muslims should be deprived of the right to be a nation.

Karadzic said that states of Serbs and Croats have already been formed on the territory of former Bosnia-Hercegovina. Since only a few disputed issues remain, the war between these two communities could cease soon, Karadzic said.

Member of the SRBH Presidency Nikola Koljevic assessed the second round of talks, held in London, as a first step in building confidence between the warring sides, since representatives of all three nations of Bosnia-Hercegovina will make up and cooperate in the cooordination committee for humanitarian assistance.

In London, the Serbian and Croatian sides accepted the Lisbon document as the basis for further talks, although no direct talks have yet taken place, while the Muslim side rejects any dialogue, Karadzic said.

Replying to journalists' questions, he stressed that Bosnia-Hercegovina as a state no longer exists. "The same thing has happened to it as happened to the former Yugoslavia," Karadzic said, stressing that the Serbian Republic of Bosnia-Hercegovina is "prepared for future integration in Bosnia-Hercegovina and beyond."

According to him, all borders of Serbian Bosnia-Hercegovina with Croatia, the Serbian Krajina and Yugoslavia are undisputed. "All other internal borders can be the subject of discussion," Karadzic assessed, stressing that the SRBH is seeking an outlet on the sea.

Putting forward the view that "Croatia's border along the Adriatic is rather absurd," he said that it is not right that the SRBH has the hinterland, and no outlet on the sea. "We would be satisfied with a small part of the coast on the Montenegrin border. In return, we would waive the right to Neum, which is mainly populated by Croats," Karadzic said.

The president of Serbian Republic Bosnia-Hercegovina said that he supported the proposals of Prime Minister of the FRY Milan Panic "which will not significantly endanger the survival of the Serbian nation." Karadzic stressed that members of the delegations of Serbs and Croats from Bosnia-Hercegovina met together with Milan Panic in London "by pure chance," and they agreed on the need to end the hostilities, and "that the borders are not important." Karadzic was not able to comment on the talks between the Muslim delegation and Panic.

In connection with Panic's statement that he will travel to Bosnia-Hercegovina and remain there until the war is over, Karadzic stated that such a move would be welcomed if it were able to stop the war. Karadzic presented to journalists the details that approximately 2,000 Serbian soldiers have been killed in Bosnia-Hercegovina so far. The number of wounded is eight to ten times higher, while the number of civilian casualties is unknown, Karadzic emphasized.

At the forthcoming Conference on Yugoslavia in London, there should be present the FRY, Slovenia, Croatia, Macedonia, all the three warring sides in Bosnia-Hercegovina, the UN Security Council permanent members and the victorious parties of the first and second world wars, Karadzic assessed. He particularly stressed that there is no question of ethnic cleansing on the territory of Serbian Bosnia-Hercegovina. According to Karadzic, "the civilians are simply being allowed to temporarily leave a certain area and to return to it."

In connection with yesterday's message from Pale, in which congratulations were sent to the Serbian Government and Assembly on the adoption of the law on the POLITIKA newspaper and publishing enterprise, Karadzic stated that the POLITIKA newspaper is one of the Serbian institutions. We hope that only good things will happen to POLITIKA, Karadzic said.

## Serb Defense Minister Discusses Territories

*LD0208133792 Belgrade TANJUG in English 1242 GMT 2 Aug 92*

[Text] Novi Sad, August 2 (TANJUG)—Bosnia-Hercegovina Serbs have liberated "almost 90 percent of their territory in the former Yugoslav Republic of Bosnia-Hercegovina gripped by civil war, and Croats even more than 100 percent because they have captured also that which does not belong to them," Defence Minister of the Serbian Republic of Bosnia-Hercegovina Colonel Bogdan Subotic has said.

In an interview published by the Novi Sad daily DNEVNIK on Sunday [2 August], Subotic specified that the Croats have captured "a good part of central Bosnia-Hercegovina," but announced that "there will certainly be corrections."

Fierce armed clashes have countinued for four months in Bosnia-Hercegovina between local Muslims and Croats (who respectively make up 44 and 17 percent of the republic's population) and local Serb (31 percent) forces. The Croatian-Muslim forces are being aided by the army

of the neighbouring former Yugoslav Republic of Croatia, which also seceded from Yugoslavia.

The conflict is the result of differing views on the future constitutional organization of the republic, whose independence was procured from the European Community by the Muslim-Croatian coalition, without the consent of the Serbs, which was against the provisions of the republican constitution.

In response, the Serbs proclaimed their own state in early April in parts of Bosnia-Hercegovina where they are a majority population, and the Croats did the same in July.

According to Subotic, by avoiding the cantonization of Bosnia-Hercegovina and insisting on a unitary state, the Muslims have "gambled away a historical opportunity" and their country will therefore be reduced to regions around the town of Zenica and part of Sarajevo alone.

Subotic announced that the Serbian Bosnia-Hercegovina would later, "when peace is restored," change its name and that it would not include the term "Bosnia and Hercegovina." He did not, however, say what this name would be.

### Defense Minister Protests Latest 'Aggression'

*AU3107164292 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1300 GMT 31 Jul 92*

[Text] Bosnia-Hercegovina Defense Minister Jerko Doko has issued a protest to General Satish Nambiar, commander of the UN Protection Force, in which he states:

In case of [word indistinct] I am informing you that the aggression against the independent Republic of Bosnia-Hercegovina during the last 24 hours intensified to such an extend that it leaves me no choice but to call upon the entire international public, all potential military allies, and all UN member countries to be on the side of the defense of the truth in these crucial times, on the side of people's right to freedom and life, that is, that they do everything possible so that good may triumph over evil.

The factual situation that demonstrates the ferocity of the aggression in the aforementioned period is horrifying and is directly connected with last night's statement by the greater Serbian monster and criminal Radovan Karadzic [president of the Serbian Republic of Bosnia-Hercegovina] on [word indistinct] of the enemy. Afterward, tens of thousands of projectiles were launched at Sarajevo, Gorazde, Bugojno, Tuzla, Bihac, Mostar, and numerous other towns of the Republic, which has been bleeding for 135 days. The Serb-chetnik vampire decided to use all available means during this most difficult night for our republic. The Air Force was used. Inflammable projectiles are being used in great quantities, as are multiple rocket launchers, heavy howitzers of great caliber, surface-to-surface missiles, and the very movement of approximately 500 tanks creates chaos [words indistinct] of our Republic that is literally in flames.

The most morbid crimes are taking place in Bosnia-Hercegovina, while we are (?continuously) being told about the warring sides and equal responsibility for crimes unprecedented in history. Does history know of a case in which a side in a war had to apologize for defending itself? For the sake of preserving at least some civilizing trends in these territories, I ask you to inform the defense ministers of all UN member states about the actual situation in a country that the world has recognized but the truth has forgotten, states Jerko Doko's letter to General Nambiar.

### Polling Stations Close; 'Incident-Free'

*LD0208221692 Belgrade TANJUG in English 2201 GMT 2 Aug 92*

[Text] Zagreb, Aug 2 (TANJUG)—The polling stations in the former Yugoslav Republic of Croatia, which on Sunday [2 August] held general elections, were closed at 7 P.M. local time (17:00 GMT), the Vote-Counting Commission said in Zagreb on Sunday evening.

Elections for president and 124-seat Lower House of the Croatian bicameral parliament were incident-free, and the turnout by 2 P.M. local time was 52 percent, the AGENCE FRANCE PRESSE said, quoting Commission Chairman Zlatko Crnic.

The elections were monitored by foreign observers, eleven of them from the Council of Europe.

The Austrian observers noted an absence of Serb voters, which was especially conspicuous in the areas of Pakrac and Lipik in western Slavonia, AFP said.

### Unofficial Election Results Show Tudjman Leading

*LD0308084692 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 3 Aug 92*

[Text] According to the latest unofficial results in the elections for president, of the currently processed 1,965,750 votes, Franjo Tudjman received most votes—56.42 percent, Drazen Budisa—22.35 percent; Savka Dabcevic Kucar—6.16 percent; Dobroslav Paraga—5.00 percent; Silvije Degen—4.24 percent; Marko Veselica—1.66 percent; Ivan Cesar—1.64 percent; and Antun Vujic—0.72 percent votes. These figures are based on the voting results from 64 municipalities.

According to the latest unofficial results for government lists or deputies in the Croatian Assembly, the Croatian Democratic Community received most votes—42.59 percent; the Croatian Social Liberal Party [Hrvatska Socijalno Liberalna Stranka]—18.38 percent; the Croatian People's Party [Hrvatska Narodna Stranka]—7.14 percent; the Croatian Party of Rights [Hrvatska Stranka Prava]—6.74 percent; and the Social Democratic Party—5.65 percent. These figures are based on the voting results from 38 electoral units.

### Serbian Krajina Submits Complaint About UN Report

*LD0308123892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1142 GMT 3 Aug 92*

[Text] Belgrade, 3 Aug (TANJUG)—In connection with the latest report from UN Secretary General Butrus-Gali, dated 27 July this year, Dobrosav Veizovic, foreign affairs minister of the Republic of Serbian Krajina, sent a letter to UNPROFOR [UN Protection Force] commander General Satish Nambiar, noting his complaints about the report.

In his letter, Minister Veizovic expresses dissatisfaction because the problem of the so-called ethnic cleansing, carried out illegally by either the Croatian or Serbian side, is treated in a biased and inappropriate way, that is the Serbian side is seen as almost the sole culprit in that problem. Veizovic also recalls that the government of the Republic of Serbian Krajina has several times given assurances that it resolutely opposes all instances of ethnic cleansing.

In connection with the borders of the Republic of Serbian Krajina, Minister Veizovic stresses that they are unified and indivisible, and that on the whole they are international. Any recognition of the international character of the former Croatian borders contradicts the Vance plan and prejudices the final solution.

The Republic of Serbian Krajina Government will in future not accept any change which might in any way complicate the position of the Republic of Serbian Krajina, the letter which Minister Veizovic sent to Gen. Nambiar says in conclusion.

### Paraga C[illegible]ls For UNPROFOR Withdrawal

*AU0[illegible]92 Vienna PROFIL in German 3 Au[illegible]*

[Interview with Dobroslav Paraga, chairman of the Croatian Party of Right, by Marc Petritz and Alfred Pressl in Rijeka; date not given: "Serbia Is Belgrade Plus Surroundings"]

[Text] [PROFIL] Mr. Paraga, how did your election campaign go?

[Paraga] The people booed Tudjman and they showed us the feelings they showed Tudjman two years earlier.

[PROFIL] What is your attitude toward the Croatian president?

[Paraga] Franjo Tudjman and the governing party, the Croatian Democratic Community, have taken criminal actions against us. They have fought more vigorously against my Croatian Party of Right [HSP] than against Croatia's occupiers. They murdered our Deputy Chairman Ante Parazdik and have imprisoned hundreds of our soldiers. Soldiers who fought for Croatia's liberation! They also arrested me—wrongly accusing me of preparing a military coup. They have disarmed Croatia instead of arming it.

[PROFIL] What are the objectives of your HSP?

[Paraga] The objectives have remained unchanged for the past 130 years. We advocate an independent Croatian state, that is, within its natural and ethnic borders. We are for the unification of all Croatian territories and for only one people living in Croatia: the Croats. We call for the withdrawal of all occupying powers from Croatia's territory. By this I mean the chetniks and the Yugoslav People's Army. We want to achieve this with all military means.

[PROFIL] What is the United Nations supposed to do?

[Paraga] We call on the United Nations Protection Force (UNPROFOR) to withdraw from Croatian territory, because it is protecting the Serbian enclaves and thus the occupation of Croatian territories that must be freed. We do not need a foreign military intervention. Our only demand is that we are enabled to procure weapons from Croatia's friends.

[PROFIL] What is your view of the situation in Bosnia-Hercegovina?

[Paraga] We say that Croatia and Bosnia-Hercegovina are one country. We want to unite these two states because what is the same must be united. Our government does not want to hear this, it has done even less to defend Bosnia-Hercegovina than Croatia. We call for the resignation of this government.

[PROFIL] Is peace with Serbia possible?

[Paraga] There will be no peace until Serbia's final defeat. Serbia wants predominance in the Balkans. Serbia will not become wiser until it is defeated. We are prepared to sacrifice ourselves to the last man, until nothing is left of Serbia except for Belgrade and its surroundings. Only until this is reached, can final peace be achieved.

## Insistence on Equal Sharing of Guilt Scored

*92BA1247E Zagreb VECERNJI LIST in Serbo-Croatian 18 Jul 92 p 2*

[Article by Branko Tudjen: "The Injustice of Equal Blame"]

[Text] It sounds paradoxical, but that is how it is: Most of the Western countries are not, of course, for Karadzic, but in their actions they (the United Nations) are consciously helping Karadzic's troops to achieve their objectives as soon as possible, so that then there would be a cease-fire and negotiations would begin. And he would negotiate from the position of what he has captured. Only the naive can believe that Karadzic is ready to disarm, to go back to the situation before the conflict and dissolve his government, and then sit down at the negotiating table. He is in fact waging war because he knows he has military superiority over the others and would then negotiate from a position of strength after the territory has been captured. During the negotiations, he may even give in on some points, but he will get something in return in some other area. The essential thing to the West is to bring about some kind of peace, even though it be unjust (any sane man will say: Even the weakest peace is better than war), and that is how this paradox comes about.

If the West really wanted a collapse of the imperialism of Serbian expansionism and wanted to bring Serbia to its knees, it would not have to intervene directly, but it would arm the Muslim and Croatian side as it did with the Mujahedin in Afghanistan. The West is compromised (that is, disunited) and it has been acting so on the territory of the former Yugoslavia. It wants equal blame and equal rights, and in so doing it may also be unjust.

The division of the blame is not aimed merely at balance between Milosevic and Tudjman. It has more far-reaching importance, and it is particularly obvious in the initiative of the French president to call a new peace conference with a considerably larger number of participants. The thesis, "all the sides there are equally to blame and they all need to go in the interest of peace," seems attractive at first glance. But something else is involved. Why did Milosevic, immediately after Mitterrand presented his idea, call the French charge d'affaires in Belgrade to explain to him in detail what was involved and, so we have learned, was satisfied? It can be assumed that this would be a new shuffling of the cards, so that those three achievements of the Hague and Brussels conferences would simply be lost. They are the opinion of the Badinter arbitration committee that Yugoslavia had fallen apart, and the principles of unchangeability of borders and respect of the rights of minorities. Those principles certainly are not advantageous to Serbia, and that is why Milosevic torpedoed [Lord] Carrington's peace conference long ago. To enter the arena as a guilty party would be a very heavy burden for Croatia. Serbia would have the territory it has taken up its sleeve, Croatia nothing. Then Croatia would be blackmailed: Either return to truncated Yugoslavia or be left without territory.

Slovenia, which is happy with the truncated Yugoslavia (without Slovenia, of course), because of the market and more effective pressure on Croatia, has already become involved in a very ugly way. The Slovenes, that is, according to a statement made by Minister Rupel to British Foreign Minister Hurd, have been insisting on equal guilt of Serbia and Croatia for the war in B-H [Bosnia-Hercegovina]. And because Izetbegovic, who also would enter a truncated Yugoslavia, has the verbal support of the West, Croatia has become his hostage in a way. Whenever a move does not suit Izetbegovic, he reports it to the West (he would like Croatian resistance in Bosnia-Hercegovina to the point where in figurative terms the members of the HVO [Croatian Defense Council] would shout, "Long live Alija"; beyond that, no), and this suits the West just fine for putting pressure on Croatia in the direction of equal blame.

It is clear why they want the blame placed equally.

## Federal

### Measures Ordered Against 'Paramilitary' Activity

*LD3107184992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1702 GMT 31 Jul 92*

[Text] Belgrade, 31 Jul (TANJUG)—A session of the Supreme Defense Council was held in Belgrade today with President Dobrica Cosic in the chair.

The council examined the manifestations of antidemocratic activities on the part of various party and paramilitary formations, groups, and individuals, as well as the measures taken with the aim of suppressing these manifestations.

The council came to the conclusion that the measures taken so far in order to suppress the activity of paramilitary formations on the territory of the FRY have yielded positive results. However, these formations are still active on the Serbian-Montenegrin-Bosnian border, endangering the material and personal security of citizens and encouraging interethnic intolerance.

The Supreme Defense Council decided that the competent organs of the Yugoslav Army and the Ministry of Internal Affairs should step up and coordinate their action in order to prevent all activity of all paramilitary groups and individuals on the territory of the FRY, especially on the Serbian-Montenegrin-Bosnian border, the FRY president's information service reports.

### Panic Dismisses 'Concentration Camps' Claim

*LD3107141792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1300 GMT 31 Jul 92*

[Excerpt] Belgrade, 31 Jul (TANJUG)—[passage omitted] Asked by journalists to comment on a statement made by the Bosnia-Hercegovina Foreign Minister Haris Silajdzic about the alleged existence of "concentration camps in Batajnica," Prime Minister Milan Panic said "Haris Silajdzic is dreaming." Panic called on all interested parties to visit Batajnica and see for themselves that there are no concentration camps.

The Army general staff chief, Colonel General Zivota Panic and his aides greeted Panic, who arrived in Batajnica at 1130. A guard of honor greeted the prime minister. Immediately after, Panic headed toward the runway, where a squadron of domestic G-4 aircraft staged a display flight.

The prime minister then visited a squadron of Mig-29 jets. The hosts briefed him about specifications and capabilities of the jet. He entered a Mig-29 and said from the cockpit: "Those not liking Yugoslavia should take a closer look," which was greeted with approval. Panic said that these are jets for the defense of peace.

Later, Air Force and Air Defense Commander Colonel General Bozidar Stevanovic, and the commander of the Air Force Corps, Colonel General Branislav Petrovic staged a display flight in a Mig-29.

Commenting on the display flight, Panic said that this was obviously a good team. He praised a high degree of Army readiness on this occasion.

Following the display flight, a squadron of Mig-29 jets took off and staged a flight displaying the maneuverability capabilities of this modern jet aircraft.

The prime minister talked in particular about financing the Army. "We must find money for the Army."

Asked by journalists what would happen if someone was to attack Yugoslavia, the prime minister said "then this Army will teach them a lesson."

Panic also visited a missile unit command, where an Air Force mass attack was simulated.

A lunch was hosted for Milan Panic in Batajnica garrison.

### Army Chief Hears Report on Intervention Plans

*LD3107115492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1017 GMT 31 Jul 92*

[Text] Belgrade, 31 Jul (TANJUG)—Chief of the Army General Staff, Colonel General Zivota Panic today started a two-day regular inspection of the Air Force and Air Defense Command and units.

In a report to Gen. Panic, Air Force Commander Lieutenant Colonel General Bozidar Stevanovic said that the Air Force and Air Defense Command and units "have maintained unity and operational capability, and a high degree of combat readiness, even under the newly created circumstances." Gen. Stevanovic said that the Air Force and Air Defense "pays special attention to the level of training and combat readiness," because "the country is under the constant threat of possible armed intervention." He said that such an intervention, at least in the initial phase, "would be launched from distance and from air." "Only the Air Force and Air Defense can effectively counteract such an aggression, protect other parts of the Yugoslav Army and inflict heavy losses, although precisely for these reasons, the Air Force and Air Defense would be exposed to most intensive actions in the first wave of attacks by an opponent," Commander Stevanovic said.

He informed Gen. Panic that the Air Force and Air Defense is intensifying a specialist and special purpose training, instead of the former comprehensive and extensive training.

Accommodation and care of units withdrawn from other republics, as well as "insufficently developed air infrastructure on the territory of the Federal Republic of Yugoslavia," are causing problems for the Air Force and Air Defense Command.

The Air Force and Air Defense Command, Gen Stevanovic said, has more combat equipment than "required by formations and real needs." Some surplus equipment belongs to "the older technological generation and has modest combat capabilities" and it must be disposed of quickly.

Following the report ceremony in the Air Force and Air Defense Command, which was attended for the first time by a group of about 30 journalists, the Army general staff chief visited an air reconnaissance operational center in the village of Stari Banovci. Equipment for disguising guided air-to-surface missiles was demonstrated.

## Kosovo

### Albanian 'Majority' Not With Separatist Movement

*LD3107211392 Belgrade TANJUG in English 2002 GMT 31 Jul 92*

["Pool" item]

[Text] Belgrade, July 31 (TANJUG)—The majority of all Albanians who live in Serbia's southern province of Kosovo-Metohija do not identify with the separatist movement headed by Ibrahim Rugova, it was announced on Friday [31 July] afternoon after talks between Serbian President Slobodan Milosevic and a group of about a hundred Kosovo ethnic Albanians.

Members of the delegation said Rugova's claims about alleged violations of the rights of ethnic Albanians in Kosovo-Metohija were unfounded, the president's cabinet said after the meeting. The policy of the separatist parties is unacceptable and dangerous, as it inevitably leads to war, they said.

The group informed Milosevic that ethnic Albanians had held in a number of communities in Kosovo-Metohija gatherings to voice their allegiance to Serbia, as their homeland, and express their interest in taking part in the republic's social and public life.

The delegation said Rugova and other separatist leaders did not have the right to act in the name of all ethnic Albanians. They added that the genuine political will of the ethnic Albanians could not be expressed on account of pressures, harassment and threats by separatists.

It was also pointed out during the meeting that efforts by certain international forces to internationalize the problem of Kosovo-Metohija were unacceptable, as Kosovo-Metohija was an integral part of Serbia and all questions relating to it had to be resolved in that republic.

There was also mention during the contact of the need for the adoption of a new law on primary, secondary and higher education creating conditions for the elimination of all problems that have arisen in the education sector in Kosovo-Metohija.

The members of the delegation, who spanned a considerable range of professions and age groups, at the conclusion of their very frank and comprehensive talks with Milosevic made an appeal to all their compatriots in Kosovo-Metohija to do all in their might to contribute to a normalization of the inter-nationality relations in Kosovo.

After the talks with the Serbian president, several members of the delegation held a news conference at which they reiterated their commitment to communal life in Kosovo-Metohija.

Memet Aleti said ethnic Albanians in Kosovo-Metohija could be considered only within the context of Serbia and Yugoslavia. He said the autonomy of Kosovo had to be restored without delay, but he condemned the ethnic Albanian separatists.

Hajrija Rugova said the ethnic Albanians could take part in the forthcoming elections, so that they would have their own representatives in the system's institutions.

Basi Plana, also a member of the delegation, said organization of citizens who supported peace and communal life were being formed in Kosovo-Metohija.

## Vojvodina

### New Government Elected, Members Sworn-In

*LD3007142992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1317 GMT 30 Jul 92*

[Excerpt] Novi Sad, 30 Jul (TANJUG)—The Assembly of the Autonomous Province of Vojvodina today elected a provincial government, comprising the prime minister, two deputy prime ministers and seven secretaries. Seventy-five deputies voted for prime minister-designate, Dr. Koviljko Lovre, 16 against, and one ballot paper was invalid.

After the election, members of the new Executive Council took a solemn oath, and the hitherto prime minister, Jovan Radic, thanked the current and former deputies for their support and cooperation.

Lovre presented the government program before the voting. He stressed that Vojvodina, as an integral part of Serbia, is one of the most stable areas of Yugoslavia, which is the result of a long tradition of good inter-ethnic relations and the achieved level of economic, social and cultural development.

The new provincial government, which has only half the ministries of the previous government and reduced competencies, will champion a further development of agriculture, in particular production of healthy food, and will urge the finishing of the Feketic-border and Belgrade-Pancevo highways, gasification of villages and

towns, and the rebuilding of railroads. The government will pay due attention to social activities, information and culture, and the protection of the rights of national minorities, Lovre said.

Talking about the government compositions, the prime minister said that he decided to have two deputy prime ministers and that no government member would be without a portfolio.

Damnjan Radenkovic and Attila Szam were elected to the posts of deputy prime minister.

The following were elected to the post of secretary: Danko Visekruna—agriculture; Olga Curovic—agriculture; Dragoljub Etinski—culture and education; Milan Lucic—information; Vera Kanazir—health, labor and social policy; Milan Orlovic—finance; and Ferenc Deak—rights of national minorities, administration and regulations. [passage omitted]

## Montenegro

### Bulatovic Discusses Disarming Paramilitary Groups

*LD0108123492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1036 GMT 1 Aug 92*

[Text] Podgorica, 1 Aug (TANJUG)—While war passions are cooling down to a certain degree in Bosnia-Hercegovina, people have started behaving in a completely irrational manner in Yugoslavia. Some people are convinced that all of the problems will be resolved if we are to create an ethnically pure environment for ourselves. This way of thinking is foolish, and we must be aware of how serious and dangerous it is, not just in Pljevlja, Bijelo Polje and Bar, but also in every part of Montenegro and the FRY.

Momir Bulatovic, president of the Montenegrin Presidency, drew attention to these circumstances during discussion on the intranational conflict situation in Pljevlja at a session of the republican parliament, which ended early this morning.

Bulatovic briefed the deputies on the conclusions of the Supreme Defense Council which yesterday entrusted the competent organs of the Yugoslav Army and the Ministry of Internal Affairs with developing and coordinating their action for the prevention of activity by all paramilitary groups and individuals on FRY territory, especially along the Serbia-Montenegro-Bosnia-Hercegovina border.

He also recalled that a decision had been made to set up a headquarters for the crisis areas, such as Plav. The Montenegrin Ministry of Internal Affairs would be involved in the activities of this headquarters, which would be capable of disarming all members of paramilitary forces quickly and efficiently, with help from the Army. "Wretched is the country—and there can be no question of a rule-of-law state—in which arms and uniforms are carried by those who are not in the Army or the police. This action must be carried out immediately in order that peace is secured in Montenegro." "These paramilitary formations are composed of bandits and criminals, and the state must prevent such behavior," President Bulatovic said.

## Macedonia

### FRY Prime Minister Arrives, Meets Gligorov

*LD0208192992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1812 GMT 2 Aug 92*

[Text] Ohrid, 2 August (TANJUG)—Yugoslav Prime Minister Milan Panic, who is on a one-day tour of neighboring countries, arrived in Ohrid this evening where he had a meeting with President Kiro Gligorov.

Ohrid is the third stop for Panic today. Before Ohrid, the prime minister visited Bucharest and Sofia where he presented his hosts with his proposal on the creation of an economic union of the Balkan countries, which he will also propose to Gligorov.

Panic and Gligorov are expected to hold a press conference after the talks.

### Offers Recognition 'As Soon as Possible'

*LD0308084392 Zagreb Radio Croatia Network in English 0805 GMT 3 Aug 92*

[Text] The Yugoslav Prime Minister Milan Panic stated that Yugoslavia will recognize Macedonia as soon as possible. Following his talks with the Macedonian President Gligorov, Mr. Panic said that Yugoslavia would have recognized Macedonia yesterday but that Mr. Gligorov was not ready for such a move. Mr. Panic added that the recognition could come as early as tomorrow. On the other hand, the Macedonian president said that Macedonia will recognize Yugoslavia the moment it fulfills the conditions for the lifting of UN sanctions that have been imposed against it.